

**Achievement of Market-Friendly Initiatives and Results Program
(AMIR Program)**

Funded By U.S. Agency for International Development

**IMPROVING JORDAN'S INVESTMENT PROMOTION
and FACILITATION ORGANIZATIONS**

Final Report

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AMIR	Achievement of Market-Friendly Initiatives and results Program
ASEZA	Aqaba Special Economic Zone Corporation
EJADA	European-Jordanian action for the development of enterprise
INTAJ	Information Technology Association of Jordan
Investment Committee	A Committee set up by the Investment Task Force, under the chairmanship of Mr Nadim Muasher, with the CEOs of JIB, JEDCO, JIEC, FZC and others as members.
JABA	Jordan American Business Association
JUSBP	Jordanian-US Business partnership
JTA	Jordan Trade Association
JEDCO	Jordan Export Development and Commercial Centers Corporation
JIB	Jordan Investment Board
JIEC	Jordan Industrial Estates Corporation
JTB	Jordan Tourism Board
JUSP	Jordan-US Business Partnership
MIT	Ministry of Industry & Trade
QIZ	Qualified Industrial Zone
USAID	United States Agency for International Development
VTC	Vocational Training Corporation

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CHAPTER 1

Introduction.

Need to accelerate foreign direct investment into Jordan, direct domestic investment and linkage.

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Introduction.

This report describes assistance provided, through the AMIR Program, to the Government of Jordan in improving the economy by refocusing its industrial development activities.

Specifically, the task at hand was to provide advice and guidance on the establishment of a national 'industrial / enterprise' policy unit (Jordanian Authority for Enterprise Development – JAED) and to review the powers, functions and structures of key support organizations, and make recommendations for improvement.

The support organizations are the Jordan Investment Board (JIB), the Jordanian Export Development and Commercial Centers Corporation (JEDCO), the Jordanian Industrial Estates Corporation (JIEC) and the Free Zones Corporation (FZC).

The assignment covered the period from late January 2002 until late March 2002, and was carried out by Mr Charles Krakoff and Mr. Barry O'Connell of the AMIR team.

Background – The Need to Accelerate Foreign Direct Investment, Domestic Direct Investment and Linkages.

Jordan recognizes the need to accelerate foreign direct investment, domestic direct investment, linkages between overseas and indigenous companies and the development of internationally traded services.

H.M. King Abdullah established an Investment Task Force (ITF) in 2001, to address the problem of weak investment in the Kingdom and to provide recommendations for restructuring Jordan's existing investment and trade promotion organizations.

The ITF commissioned Booze Allen Hamilton to study international best practice and to recommend a model most appropriate to Jordan's needs.

Booze Allen studied the trade and investment promotion activities of Ireland, Singapore, Malaysia and Costa Rica.

Booze Allen Recommended the Irish Approach.

Booze Allen recommended adopting a structure similar to Ireland's Forfas. Forfas is a semi-autonomous umbrella organization that co-ordinates all of Ireland's national trade and investment promotion and facilitation activities, and that functions as the principal source of advice and recommendations to the government on trade and investment policy and strategy.

H.M. King Abdullah endorsed the recommendations and created an Investment Committee charged with setting up this new agency by end of June 2002.

The Committee was established, under the chairmanship of Mr. Nadim Muasher, a leading Jordanian businessman.

The Committee Members include the Chief Executives of the Jordanian Investment Board (JIB), the Jordanian Export Development and Commercial Centers Corporation (JEDCO), the Jordan Industrial Estates Corporation (JIEC), and the Free Zones Corporation (FZC). It adopted the name – the Jordanian Authority for Economic Development (JAED) for the new (Forfas equivalent) authority.

A key objective of the AMIR 2 Program is to support this effort and to provide technical assistance as required for JAED to function properly.

Such T.A. to include:

- Help in establishing the appropriate internal structures and systems for JAED, such as H.R, MIS, budgeting and reporting.
- Co-coordinating the policy function within JAED and other policy units in Government.
- Developing the capacities of bodies such as JIB, JEDCO, JIEC, FZC, and others (Vocational Training Corp. and Jordan Tourism Board) to carry out the new, more ambitious, mandates they will have under JAED.
- This will include helping these organizations, through technical assistance, to take advantage of the U.S.-Jordan Free Trade Agreement, the EU-Jordanian Association Agreement and bilateral trade agreements.
- Revising the investment promotion law and any other relevant laws needed to create JAED and endow it with the required authority and autonomy.

At the start of this project, some basic principals were set out:**Strategic Principles for JAED:**

- JAED answers to government but is not part of government.
- JAED co-ordinates but does not implement.
- JAED sets strategy, goals, performance objectives for others to execute.
- JAED allocates resources.
- JAED monitors and evaluates performance and results.

Government / Non-Government:

- JAED is answerable to government through reporting relationships to government and dependence on government resource allocation.
- JAED is not part of government.
- JAED has own staffing, salary and bonus decisions at CEO / Board level.
- JAED can alter its internal structure without amending the Law.

Strategic Principles for Corporations:

- The corporations are distinct corporate legal entities.
- Some are 100% government owned, others might be partly private.
- The corporations implement strategies set by JAED and by government, with resources allocated by government, in consultation with JAED.

Corporations have:

- autonomy.
- responsibility.
- accountability.

Setting and Executing Strategy:

- JAED becomes empowered to recommend trade and investment strategies to government.
- JAED conducts its own policy analysis and makes recommendations in consultation with appropriate national councils or committees.
- JAED has a strong influence in the allocation of resources and responsibilities to the implementing bodies / corporations, from the overall budgets allocated by government.

Autonomy:

- Each corporation remains a distinct legal entity.
- Each corporation has full control over the resources allocated to it.
- Each corporation decides how to achieve its performance objective.

Responsibility:

- Each corporation is responsible for achieving its objectives (which have been established in coordination with JAED) within the resources allocated to it.
- Each corporation, through JAED Board membership, annual strategic planning and budgeting, has a strong voice in setting own objectives and budgets.

Accountability:

- The CEO of each corporation is accountable to the Board of that corporation for achieving the results for which it is responsible.
- Success may mean an increase in resources, bonuses for the CEO and staff, and higher profile recognition.

What is Needed for this to Work?

- Enabling Legislation
- Appropriate Structure
- Technical Assistance
- Training, equipment, financial resources.

Who Currently Develops Trade and Industrial Policy in Jordan?

One of the problems in Jordan is the lack of one central body responsible for development of industrial / enterprise policy. The AMIR Report (June 2001) -**Trade and Investment Systems in Jordan**- produced by Greta Boye and Hana Uraidi-Hammudeh-examined the situation:

“Background.

The Government has not yet established a formal structure for trade and investment policy decision-making. Cooperation among different government ministries and departments remains problematic, as no single institution has been given general responsibility for oversight of trade policy development and negotiations.

Institutional Framework.

Various institutions are currently involved in trade and investment in Jordan, resulting in a complex institutional structure for decision-making and policy formulation and implementation.

Bodies Involved.

Members of the recently established *Higher Economic Consultative Council*, chaired by H.H. the King, provide advice on economic affairs and formulate the policies, strategies and specific action plans reflecting Jordan's priorities for sustainable development and integration into a global economy.

The *Prime Ministry* includes two executive departments: the *Information Department* and the *Economic Policies Unit*. The main role of the former department is to gather and disseminate all types of information on the economy; that of the latter, which is in the process of being established, is to coordinate and provide integrated information and analysis of the various aspects related to Jordan's Trade and investment sectors.

The *Central Bank of Jordan* is responsible for formulating and implementing Jordan's monetary policy.

The *Higher Council on Investment Promotion* and the newly established *Aqaba Special Economic Zone Authority* are all involved in investment policy.

At the level of execution, mainly three government ministries, the *Ministry of Industry and Trade*, The *Ministry of Planning* and the *Ministry of Finance*, are involved in activities in trade and investment policy formulation and implementation.

The *Ministry of Industry and Trade* considers itself as the primary body responsible for the formulation; coordination and implementation of overall trade policies. It has three affiliate institutions to implement its mandate: the Jordan Development and Commercial Centers Corporation (JEDCO), the Jordan Investment Board (JIB), and the Jordan Industrial Estates Corporation (JIEC).

The *Foreign Trade Policy Directorate* (formerly the *WTO Unit*) and the *International Cooperation Directorate* are two key units within the Ministry involved in trade and investment policy. The *Industrial Development Directorate* within the Ministry of Industry & Trade also plays a role.

The *Ministry of Planning* is responsible for macroeconomic issues and is charged with negotiating and implementing the Jordan-EU Partnership Agreement.

Within that ministry the *Competitiveness Unit* and the *Technical Support Unit* are important in undertaking research and economic analysis. AMIR is providing support through a Production & Efficiency Enhancement project.

Despite the seemingly organized government structure, policy formulation and implementation are disorganized and uncoordinated in Jordan. Three major observations can be made about this situation.

First, uncertainty exists regarding the role of the major stakeholders in the formulation and implementation of trade policy and in the integration and streamlining of institutional efforts.

Second, the lack of interaction and coordination between the involved parties identified above and the non-institutionalizing of the decision-making process have in many cases hampered the flow and quality of information and in-depth analysis of issues.

Third, the absence of a body over-seeing and verifying the context of information, analytical reports and final decisions has attributed to the confusion and inconsistency in the decision-making process.

Legal Framework.

The legal framework for promoting exports and investment in Jordan is based on the Investment Promotion Law of 1995 and its enacted amendments for the years 1996 and 2000, which have as

their objectives the attraction, stimulation and guarantee of national and foreign direct investment and joint ventures.

The Ministry of Planning's current Economic and Social Development Plan, which covers the period 1999-2003, lays out a master plan for the continuation of the economic and structural reform program that Jordan initiated in 1993.

To date, the Ministry of Industry and Trade has not prepared a comprehensive trade and investment strategy. As a result of cooperation between the public and private sectors a comprehensive industrial sector modernization and development policy was recently approved and implementation is currently underway.

Initiatives Underway to Support Trade and Investment Information Networks.

There are currently four initiatives underway to support trade and investment information networks in Jordan.

First is the national E-Government Task Force, moving Jordan forward in its plans to modernize the public sector.

Second: The EU programs that are currently underway are related to the Industrial Modernization program that was in large part designed to facilitate the Jordan-EU Association Agreement.

Third: One of the most well known programs is the GTZ Program sponsored by the Government of Germany. The program recently shifted its focus away from information and towards the promotion of decision-support systems.

Fourth: AMIR is working with the Ministry of Industry & Trade, on a project to develop the Ministry into a world-class Centre of Excellence.

In addition:

- USAID is currently involved in improving economic statistics at the Department of Statistics (DOS) with the assistance of the United States Census Bureau.
- The AMIR Program is also supporting the e-government initiative.
- A three-year United Nations Industrial Development Organization (UNIDO) project aimed to improve the competitiveness of selected sub-sectors of industry having export potential is underway. This is operating from the JIB offices.

The national industrial information network is the project subcomponent that is of interest to the AMIR task at hand. The network will link information related to the food sector through six nodes with one focal point. The Amman Chamber of Commerce was selected as the focal point, and the following government agencies were selected as the nodes: Ministry of Industry and Trade, Customs, DOS, JEDCO, National Information Center and JIB.

The AMIR Report on Trade and Investment Systems in Jordan concluded with a number of Conclusions and Recommendations.

- ***Define a Trade and Investment Strategy, followed by a Separation between Policy Formulation and Implementation.***

The fundamental constraint to effective decision-making stems in part from non-clarity and overlap in the roles of the institutions that formulate and implement trade and investment policy, which have led to confusion, repetition and often contradiction at various levels within the Government.

Likewise, this institutional barrier has also resulted in the absence of integrated databases and redundancy in data collection.

Steps should therefore be taken to define clear roles in terms of formulation and implementation, preferably through legal mandate; adopt a cohesive strategy for trade and investment within each Ministry and then for the country at Cabinet level; and establish a unit to monitor, evaluate, and require improvements of the overall system, including those related to trade and investment information. The placement of such an umbrella was being considered in the Prime Ministry. *Note, by establishing JAED, as set out under the present work program of the Investment Committee, these roles and functions will be carried out by one organization (i.e. JAED). AMIR is now recommending that JAED report to the Ministry of Industry & Trade, rather than to the Prime Ministry.*

- ***Create a Centralized Point of Information Collection and Dissemination According to Topic or Responsibility.***
- ***Upgrading Technical capacity at the Staff Level is a Prerequisite for Effective-Decision making.***
The Ministry of Industry and Trade would like to expand its research and analysis role through the Economic Policies Unit that reports directly to the Minister. This unit recently published a research report on regional trade, but the analysis appears basic.
- ***Expand Coverage of Trade Statistics and Economic Indicators to Enable Trend Analysis and Include in Web databases.***
- ***Improve Key Government Websites.***
- ***Create New Databases and Expand Existing Ones Essential in Supporting Upcoming Trade Negotiations and Policy Decisions***
- ***Create Feedback Networks, taking into account the monitoring and control structures”***

Fragmentation of FDI and DDI promotional efforts.

Instead of key players, such as JIB or JEDCO co-ordinating all research and promotional matters regarding FDI and DDI, various other players become involved. Their efforts, although well intentioned, may not be co-ordinated in an optimal way. An example is the situation regarding the U.S.- Jordan Free Trade Agreement.

It was recognized in 2001 that, to fully and rapidly reap the benefits of the U.S-Jordan Free Trade Agreement, Jordan needs to develop a comprehensive, practical and action-oriented strategy that integrates the actions of various stakeholders.

A strategy was developed, called the TIJARA (Trade, Investment, Jordan-America Reciprocal Agreement). A number of the TIJARA strategy items have direct relevance to the current consideration of establishment of JAED and restructuring and refocusing of JIB and JEDCO. These items are reiterated below, because of their importance in the current context.

Key TIJARA Strategies.

- Strategy 1. Establish an Effective Private –Public Partnership.
- Strategy 2. Raise Public Awareness and Disseminate Information about the FTA.
- Strategy 3. Upgrade and Diversify Jordanian Export Capabilities. *The capabilities of existing Jordanian manufacturers need to be upgraded in order to successfully penetrate and compete in the U.S. market on a sustainable basis.*
- Strategy 4. Promote Two-Way Trade. *A number of actions need to be taken to boost current trade levels. In addition to more effective trade promotion efforts, direct relationships between the U.S. and Jordanian companies need to be established.*
- Strategy 5. Promote Inward Investment to Jordan. *As demonstrated by the success of the QIZ-related investment promotion programs, FTA-specific marketing and promotion can be used to encourage FDI into Jordan, from other countries as well as the U.S. This will require the “reinvention” of Jordanian investment promotion.*
- Strategy 6. Enhance Jordan Trade Facilitation Efforts.

The TIJARA Report set out a number of Action Plans, some of which are particularly applicable in the context of the proposed new roles for JAED, JIB, JEDCO (and the MIT):

These are set out in **Appendix 1**, together with an update on what action is happening regarding the points listed.

CHAPTER 2.

The Investment Committee and its work.

How should JAED be structured – powers, functions, authority, etc.?

Visit by the Investment Committee to Ireland.

Further background on the Irish Model.

What role should JAED play?

The relationship between JAED and the Ministry of Industry & Trade.

The relationship between JAED and existing Councils or Committees.

The relationship between JAED and the investment promotion and support entities.

The Investment Committee and its work.

During the period under review (end of January 2002 until end of March 2002) the Investment Committee has been very active in its work. A number of full Committee meetings were held and a number of the Committee members visited Ireland on a study tour for one week.

The main issues discussed by the Committee were:

- the role and responsibilities of JAED;
- the connectivity between JAED and other entities such as JIB, JEDCO, JIEC and FZC;

- the reporting relationship between JAED and the Government;
- the reporting relationship between JIB, JEDCO, JIEC and FZC and the Government;
- the composition of Boards of JAED, JIB, JEDCO, JIEC and FZC.

In parallel with all of this, AMIR's legal consultants IBLaw were deeply involved in developing drafts of laws relating to the establishment of JAED, and reviewing the existing Jordanian laws that related to JIB, JEDCO, JIEC and FZC.

There was much debate about the features of JAED and the roles it should play:

- Advisory? Co-ordination? Control? Implementation?
- How to bring the existing corporations under the umbrella of JAED, tightly, effectively - but without loss of momentum;
- Where should JAED fit into the government hierarchy? Ministry of Industry & Trade? Ministry of Economy? Ministry of Planning?

AMIR is recommending that JAED be established under the Ministry of Industry & Trade. By definition JAED and its related entities are all about development of industry and trade, in practical, client-supportive ways.

As it happens, Forfas and the related Irish entities (IDA-Ireland and Enterprise Ireland) have always been under the Irish equivalent of the Ministry of Industry & Trade.

*The arguments in favour of this reporting relationship are set out in **Appendix 2**.*

- How to bring about better, tighter, more formal co-ordination?
- Membership of the JAED Board?
- JAED'S structure and authority?

Initially, the primary line of thinking was to create one new Authority, while at the same moment revoking the laws relating to the existing entities, but re-establishing them immediately, under new reporting and control relationships. The proposed new law would allow JAED to bring about amendments in the structures of the entities or amendments to their activities, by way of legal Regulations, not requiring full Parliamentary approval or new Laws.

A second line of thinking which was studied was to adjust / modify the existing laws relating to each of the entities, in such a way that (cumulatively) all the JAED activities are carried out.

Mission to Ireland

A Study Visit to Ireland took place from 10th to 16th February 2002.

Headed by H.E Dr Salaah Al Bashir, Minister of Industry & Trade, the Jordanian participants included many of the members of the Investment Committee.

The visit was organized by Forfas in Ireland and was a timely opportunity to find out about Forfas, IDA Ireland, Enterprise Ireland and other related entities.

Appendix 3 contains more detail on this Study Trip to Ireland.

Before moving on, let's clarify our understanding of 'The Irish Model'. The Perception of what Forfas is, versus the Reality.

Today, in Ireland Foras, IDA Ireland and Enterprise Ireland exist together, in close harmony and with very close working relationships, as semi-state (private-sector oriented) industrial development organizations. Forfas is the national advisory body for development of industrial policy. IDA Ireland is the national body for promotion and facilitation of foreign direct investment. Enterprise Ireland is a multi-faceted body with national responsibility for all aspects of indigenous industry development. Enterprise Ireland also has national responsibility for trade development, including exports from Ireland.

These bodies did not always exist.

Indeed, until 1994, all of the roles that are currently played by these three organizations were fulfilled by one organization – the original IDA (Industrial Development **Authority**) of Ireland.

A little history of industrial development in Ireland.

Looking back in time (to 1970) the industrial development agencies in Ireland were:

- IDA-Ireland (The Industrial Development Authority)
- CTT (The Irish Trade Board)
- AnCo – the forerunner of FAS (The National Vocational Training Authority)
- Shannon Development Company. (A body responsible for industrial and tourism development in the Mid-West of Ireland – within the 'catchment' area of Shannon Airport.)
- Udaras Na Gaeltachta (A body responsible for social development in the Irish-speaking areas of Ireland. 5% of the population.)

IDA Ireland had been created in 1969, as a semi-state agency with overall responsibility for a wide range of activities:

- Industrial development strategic and operational planning.
- Foreign direct investment promotion and facilitation.
- Development of indigenous industry – large, medium, small size.
- Linkage Program.
- Home and overseas offices.
- Regional planning.
- Property / Building Operations Division.

Ireland had embarked on a more open economic policy, having abandoned the previous protectionist approach. Ireland and the United Kingdom entered into a Free Trade Agreement in 1966. Ireland, the United Kingdom and Denmark had applied for full membership of the

European Union, in the late 1960s, but full membership was not to happen until 1973 –with transitional arrangements (i.e. permission for protection of certain industry sectors) until 1977. The Government of Ireland realised that rapid industrial development was vital, to re-equip traditional industries (in the face of more severe competition) and to attract new overseas firms. The Government felt that semi-state agencies (with private-sector ‘drive’ and ‘energy’) would function much more speedily and effectively than government bureaucracies.

IDA Ireland became the lead semi-state agency, taking within its functions many of the industrial development functions that had previously resided in the Irish Ministry of Industry & Commerce. The IDA still reported to the Minister of Industry & Commerce, and worked very closely with it. In addition, there were many cross-linkages between IDA, CTT, AnCo, Shannon Development Company and Udaras Na Gaeltachta.

Note – IDA was able to tap into and administer an extensive and generous incentive package including cash grants; rent subsidies; employment grants; training grants; equity participation; tax incentives etc.

The Irish economy developed steadily, notwithstanding some problems along the way, during the 1970s and the 1980s. Full membership of the European Union was a major factor driving the economy, as Ireland became a ‘springboard’ for FDI projects aiming at the large and lucrative European market.

Irish firms developed and expanded, taking advantage of the new marketing opportunities in Europe.

In addition, IDA Ireland encouraged and assisted linkage between foreign manufacturing firms and local component, parts or service suppliers.

IDA Ireland gradually expanded its programs to put increasing emphasis on encouraging manufacturing firms to add on additional activities, such as product development, international marketing responsibility, corporate treasury, software development etc.

IDA targeted foreign investment in internationally-traded activities, such as software development, design services, call-centre activity, technical support activity etc.

IDA Ireland played a lead role in promoting the International Financial Services Centre in Dublin, which – despite initial scepticism regarding its ability to compete with major centres such as London or Frankfurt - now employs over 7,000 highly skilled persons.

By the early 1990s it became obvious that a new set of economic policies were needed, reflecting the new international environment that Ireland found itself in, and reflecting the much changed structure of industry and services in Ireland.

Thus, Forfas, a national industrial policy agency was established, and IDA Ireland was reconstituted, as an agency of Forfas, exclusively concentrating on FDI promotion and facilitation. A new agency, Enterprise Ireland was created, to encourage and support Domestic Direct Investment.

One of the success factors in Ireland was, and still is - consistent government policy regarding industrial development, because of its national importance and the need to encourage and facilitate it.

A Few Other Points of Information:

Many of the senior people who now work in either Forfas, IDA-Ireland or Enterprise Ireland, worked together for many years, as colleagues, in the original IDA-Ireland (Industrial Development Authority).

Note that there are inter-relationships between the Boards of Forfas, IDA-Ireland and Enterprise Ireland. The CEOs of IDA Ireland, Enterprise Ireland and FAS sit on the Board of Forfas.

Note, in addition, that there is strong private-sector representation on each of these three Boards.

Finally, note that, because of the strong spirit of trust, mutual understanding, etc between the entities:

- IDA-Ireland still 'does its own thing' in relation to relevant operational planning.
- Enterprise Ireland 'does its own thing'.
- Both IDA and E.I. still have a direct reporting relationship to the Ministry (of Enterprise, Trade and Employment).

- Both still do their own budget formulation, budget request procedure, and reception of their own individual budget allocations.
- IDA and E.I. still do their own accounting and overall reporting on operations.
- All of this is done, however, in close coordination with Forfas.
- *Strategic issues, regarding incentive packages, infrastructure requirements, competitiveness, etc. are discussed monthly at meetings of the Planning Managers of Forfas, IDA, E.I. etc.*
- Note also the role that Forfas plays in providing the secretariat for a range of national committees.
- Also, Forfas played an 'Incubator' role in the creation of the Science Foundation Ireland.

So, we need to be careful about an over-simplified reproduction of the 'Forfas Model' without taking into account the strong individual roles played by some of the agencies.

INDUSTRIAL DEVELOPMENT IN JORDAN.

A few points regarding Jordan:

JIB is broadly similar to IDA Ireland.
JEDCO is broadly similar to Enterprise Ireland.
JIEC / FZC are broadly similar to IDA's Property Division.

However – Jordan's industrial development effort lacks -

1. A sophisticated FDI promotional and service body. Full service – from cradle to grave.
2. A full service Domestic Direct Investment Organization – providing services to Jordanian large and medium-sized firms.
3. In-depth attention to maximizing the positive exploitation of Jordan's natural resources:
Minerals, Dead Sea Products,
Stone, Granite, Marble,
Possibly - agricultural products.
4. A fully-fledged Linkage Program.
5. A comprehensive Small Industry Development programme including:
Support for small firms.
Support for start-ups.
Venture capital.
Encouragement of entrepreneurship.
6. A narrow focus on key economically important industry or service sectors.
7. Clear definition of the Incentive Package.
8. Clear definition of which are Jordan's main competitor countries.
9. Jordan needs to take advantage of the preferential opening of new markets in the United States of America and in the European Union for Jordan's traditional export products.
10. Jordan also needs to capitalize on these free Trade agreements to position itself as a regional hub for trade and investment directed at these major, dynamic markets.
11. Encouragement / facilitation of Research & Development.

Jordan's industrial development activities - FDI and DDI promotion and facilitation, (including export / trade promotion) lack –

1. *Appropriate Sectoral / Industry Expertise.*

2. *Overseas Offices – close to the clients.*
3. *Fully Developed Marketing Expertise.*
4. *Project Management Structure / Company Development Officers.*
5. *Regional Priority Programmes.*
6. *Budgets and other Resources.*

So, the development of the thought process and discussion regarding JAED -

- Has to bear these points in mind;
- Respect the existing expertise and skills;
- Be sensitive to 'Status' issues;
- Remember that the 'Forfas' model is, in reality, different to the perception.

What about the Jordanian Tourism Board?

What about Vocational Training?

What about property services?

It was agreed, early on, that the **Jordanian Tourism Board** falls outside the scope of this industrial development project and that it would no longer be included in the current debate. The **Vocational Training Corporation** provides a very important and valuable service in relation to the development of vocational skills. The VTC should be involved in this 'industrial development' process, through representation on the Board of JAED. (The CEO of the VTC would be a Member of the Board of JAED, and the CEO of JAED would be a Member of the Board of the VTC).

Both **JIEC and FZC** provide key **property services** to industrialists, through their respective organizations. Unfortunately, having two independent corporations, both involved in similar activities, and both –from time to time – initiating and carrying out international marketing campaigns on behalf of "Jordan Inc" is not an optimal situation. At a minimum, it leads to investor confusion and a certain degree of competition and rivalry between the corporations and between them and JIB and JEDCO. JIEC and FZC had put forward a proposal, a couple of years ago, to merge the two corporations. This is a move that the Committee would encourage and a close re-evaluation of the merger proposal is recommended.

The initial concepts for JAED envisaged that:

- JAED would have the Minister of Industry & Trade as Chairman, and a Board of Directors that would include the CEO of JAED, and the CEOs of JIB, JEDCO, JIEC and FZC. There would also be a number of Board Members from the private sector (one greater in number than the number of other Board members).
- JAED would be responsible for the activities of JIB, JEDCO, FZC and JIEC, although the "implementing entities" would have autonomy about their own day to day operations. The

Budget for these entities would come through the overall JAED Budget. The CEOs of the implementing entities would report to JAED.

- A *Strategic Planning Division* within JAED would be involved in national industrial development / enterprise development planning. It would also provide secretarial services to other appropriate government-sponsored Strategic Planning Committees that might be formed (with specific tasks), from time to time.
- A *Competitiveness & Skills Monitoring Division* within JAED would monitor national industrial competitiveness on an ongoing basis, involving benchmarking against other countries, research, analysis, formulation of recommendations for submission to Government. It would also provide secretarial services to other appropriate government – sponsored Committees that may be formed (with specific tasks), from time to time.
- A *Data & Intelligence Unit* would be responsible for gathering economic data and statistics and would relate closely with the Jordanian Department of Public Statistics.
- A *Co-ordination & Supervision Unit* would play a vital and demanding role in co-ordinating the activities of the various ‘operational’ entities (JIB, JEDCO, etc) and a role in tracking activities of other government Ministries and entities in regard to investment promotion. It would be closely involved in monitoring, evaluating and supporting the activities of the ‘operational’ entities, assessing the merits of bringing about closer integration between them, analysis of their support requirements (information, marketing support, etc), provision of such support, interaction with JAED business clients (drawing out issues that require attention, collection of testimonials, monitoring client service etc.)
- JAED would also have (at least initially) a small ‘*Training*’ Unit which would provide training and human resource development to the management and staff of the individual entities. It would also provide skills-development services to Jordanian Ambassadors, Embassy staff and appropriate government ministry staff in relation to all matters involved in the promotion of Jordan as an investment location. Such services might also be extended, on a selective basis, to delegations of Jordanian businesspeople, or to individual leading business figures.
- It would also monitor the industrial / enterprise development plans and activities of the Donor Agencies and advise on improving co-ordination and synergy between their programs.

However, there are some practical difficulties...

Upon consideration of the operational aspects of the above *initially-proposed* structure for JAED and the related entities, a number of practical difficulties emerge; -

- One institution (JAED) would be responsible both for strategic planning, industrial development / enterprise development policy making and for implementation, in all its detail.
- This is an uncomfortable combination.

In Ireland, the practical reality is that Forfas does the strategic planning and policy development, which it then proposes/recommends to Government, leaving the two key Industrial Development Agencies (IDA-Ireland and Enterprise Ireland) to take full charge of implementation. IDA Ireland and Enterprise Ireland have a very high degree of operational autonomy, including preparation of their own Work Plans, direct reporting to the Minister, requests for budget allocations, etc.

The Chief Executives of IDA-Ireland and of Enterprise Ireland sit on the Board of Forfas; therefore they are party to the strategic planning and policy recommendations that emerge **from** Forfas. This allows them to operate their own organizations in a manner that is consistent with such policy.

In addition, the CEOs of IDA and of Enterprise Ireland are 'equal' colleagues as Board Members of Forfas.

In Ireland, the challenge, thirty years ago, was to set up a comprehensive and inclusive Industrial Development Authority, largely building on a greenfield situation.

Since then, the Irish economy has grown enormously, to a point that separate institutions are needed for; -

- strategic planning / enterprise policy development
- foreign direct investment promotion and facilitation
- domestic direct investment promotion and facilitation.

The position in Jordan to day is that there is

- little or no significant strategic planning / enterprise policy development,
- a relatively poorly resourced and unfocused FDI promotion / facilitation entity
- a significantly under-resourced DDI promotion and facilitation entity.

In addition, both of the entities lack real private-sector energy at Board level.

- To compound the above difficulties, there are two high-level, stand-alone entities involved in the provision of offices and industrial buildings for industry.
- And --- these property entities sometimes 'do their own promotion', without reference to the Kingdom's Promotional Bodies.

Final Recommendations regarding JAED.

Based on much discussion among the Committee members, the following features and functions, for JAED are now recommended:

Please refer to the JAED Organization Chart here. (*Diagram 1.*)

Establishment of JAED through a new Institutional Law.

JAED will be established, through a new Institutional Law.

The setting up of JAED through an Enterprise Law is felt to be an impractical route, given that, effectively, no such Jordanian Enterprise Law exists and that the development of such a Law would require a lot of time. The development of such a Law, in any case, would be a key task for JAED.

JAED's responsibility for policy development.

The JAED Law will give JAED *non-exclusive* responsibility for industrial / enterprise policy development and coordination, across all relevant government ministries / organizations

Reporting Relationship - JAED to Government.

The Board of JAED, through its Chairman will report to the Minister of Industry & Trade.

Chairman of JAED

The Chairman of JAED will be a leading private sector businessperson.

Composition of the Board of JAED

The Board of JAED will consist of

- Chairman;
- CEO of JAED;
- A senior representative of the Ministry of Industry & Trade;
- CEO of JIB;
- CEO of JEDCO;
- CEO of JIEC;
- CEO of FZC;
- CEO of VTC;
- Seven private sector members – who represent a wide spectrum of professional interests and expertise.

Private Sector Orientation of the Board.

By having a chairman from the private sector, or with extensive private sector experience, and a majority of the Board members coming from the private sector, this is achieved.

Connectivity with Implementing Agencies.

It can be seen from the above that the Chief Executive of JAED will also be on the Board of JIB, JEDCO, JIEC, FZC, and the VTC.

Similarly, the Chief Executives of each of these entities will be on the Board of JAED.

Thus, there will be very close interaction between all of the entities involved in developing policy and in implementing the various industrial / enterprise development programs.

JAED's influence over the Implementing Entities.

Each of the implementing entities must submit its annual Budget Request to JAED, for review, discussion and endorsement, before that Budget Request goes through to the Minister of Industry & Trade. The Minister will not accept such Budget requests until they have the agreement of JAED.

JAED will exercise a strong but independent 'monitoring and evaluation' role over the implementing entities, as it must receive regular progress reports from these entities, based on which it produces regular evaluation reports for the Minister of Industry & Trade.

Restructuring of the Implementing Entities.

The Boards of JIB and of JEDCO will get reconstituted, setting them up as Semi-State Agencies (or Corporations) bringing in private sector orientation and determination. They will co-ordinate their activities, in line with policy guidelines set by JAED, but they will have operational independence, while still reporting ultimately to and being funded by, the Ministry of Industry & Trade.

Each entity will have a private-sector, non-executive, Chairman.

These Chairmen will report directly to the Minister of Industry & Trade.

Senior representatives from the Ministry of Industry & Trade will be on the Boards of all of the Entities.

JIB will undergo a restructuring, primarily aimed at:

- implanting and developing sectoral expertise (i.e. ability to study, analyze and track developments in global growth sectors) into the organization,
- establishing a meaningful and effective overseas office network,
- improving its presentation and information packages to potential investors.

JEDCO will undergo a complete re-organization, resulting in it having competence in:

- development of local medium and large scale industry,

- growing and facilitating Jordanian firms in the internationally traded sector,
- development of small industry and entrepreneurship, start-ups, venture capital, etc.
- running a Linkage program, maximizing the integration of FDI into the Jordanian economy through development of the sub-supply base in Jordan

It will be given powers to coordinate the (industrial development) activities of **Donor Programs**.

Note also that the CEO of JIB will be a Member of the JEDCO Board and vice versa.

Merger of JIEC and FZC

It is strongly recommended that a merger take place between JIEC and FZC.

Such a merger was proposed by the two Corporations themselves, some time ago.

One of the benefits of such a merger would be a partial streamlining of the services to investors, a move consistent with the desire to provide 'One Stop Shop' facilities, nationally.

CHAPTER 3 PROFILE OF THE JORDANIAN AUTHORITY FOR ENTERPRISE DEVELOPMENT (JAED)

This Chapter sets out, for JAED, a suggested mission statement, together with notes on JAED's features, functions and key tasks.

1. A Mission Statement for JAED:

“JORDANIAN AUTHORITY FOR ENTERPRISE DEVELOPMENT (JAED)

JAED was established in 2002, as part of the Hashemite Kingdom of Jordan's restructuring of the development entities for enterprise, industry and trade to meet the challenges of globalization and the technological revolution.

JAED is the enterprise policy and science and technology board for Jordan.

It is the body in which the legal powers of the Kingdom for development of enterprise policy are largely vested.

It operates in close co-ordination with two related entities for specific purposes; viz:

- (1) The Jordan Investment Board (JIB) the enterprise development entity for inward investment.
- (2) The Jordanian Export and Commercial Centers (JEDCO), the corporation which promotes the development of home-based industry and foreign trade.

JAED is also the organization under which the 'National Competitiveness Council' and other relevant councils operate.”

2. Reporting relationship;

The JAED Board, through its Chairman, reports to the Minister of Industry & Trade.

3. Chairman.

The JAED Chairman is a Private Sector Businessperson.

4. Composition of the JAED Board.

The Board has the following members:

- CEO, JAED
- Senior representative from the Ministry of Industry & Trade
- CEO, JIB
- CEO, JEDCO
- CEO, JIEC
- CEO, FZC
- CEO, VTC
- Seven private sector members. These members might be drawn from private sector companies or organizations, and will reflect the voices of both employers and employee organizations. The members might, for example, be drawn from – universities, law firms, accounting firms, employers organizations, employee organizations, manufacturing firms, internationally trading services firms, business consulting firms.

5. Relationships with Related Entities.

JAED will report to the Ministry of Industry & Trade. It will also interact closely with JIB, JEDCO, JIEC, FZC and the VTC.

See Diagram 1. JAED and its relationship with other entities.

6. Internal Organization Structure.

See Diagram 2. JAED, internal corporate units.

7. Functions.

JAED's functions, as set out in the Draft Law (Appendix 8.) are:

Advise the Minister of Industry & Trade on :

- Investment, enterprise development strategies, policies and work plans.
- Developing productive economic sectors.
- Measures to increase competitiveness.
- Coordinating the activities of the Investment Corporations.
- Abolishing or merging any of the Investment Corporations.

- Proposing establishment of new corporations.
- Developing the national bases and criteria.
- Evaluate, review the investment-related measures and procedures.
- The legislation.
- Evaluate, monitor the performance of the Investment Corporations.
- Submit reports to the Minister.
- Advise and assist the Investment Corporations.
- Carry out research on trade and investment topics.

8. Some Key Tasks for JAED:

- Recognize that industrial or enterprise policy encompasses a far wider set of activities than the activities of the industrial development agencies or their parent Ministry (the Ministry of Industry & Trade) and carry out an Industrial Policy Review, to define effectively Enterprise Policy in a comprehensive way to include all elements of public policy that impact in a significant way on the development of the Enterprise Sector.
- Support and facilitate the (realignment / restructuring /reformation) of JIB, JEDCO, JIECD and the FZC, and the separate promotional focus on Foreign-Direct-Investment (FDI) by JIB and on Jordanian-owned enterprise by JEDCO to reflect the different characteristics and promotional requirements of each.
- Play a lead role in influencing the wide range of public sector policies and activities behind the work of bodies like JIB and JEDCO which set the framework within which these agencies carry out their work.
- Set out a series of practical recommendations on how public policies across a wide range of areas should be changed to better support the development of an export-oriented enterprise sector.

- Take into consideration that Industrial or Enterprise Development Policy is now accepted as encompassing traditional elements of the following policy areas:
 - Taxation;
 - Transportation;
 - Telecommunications;
 - Energy;
 - Competition;
 - Public sector administration;
 - Education;
 - Science and technology policies;
 - As well as the promotional activities of the development agencies.
- Address the particular challenge for public sector management, because it requires a horizontal approach across different sectoral and functional areas of government – each generally under the control of a single Ministry or Minister who is charged with the administrative and political responsibility for a particular sector or function.
- Facilitate the effective working of this wider definition of Enterprise Policy.

This will require two things:

- Firstly, a wide-spread acceptance that the enterprise sector is the main engine of growth in the economy and the means through which the resources required to generate higher living standards, improved quality of life, redistributional equity and social cohesion can best be achieved;
 - Secondly, very close working arrangements with the Government Ministries and agencies responsible for the wider range of policy instruments.
- Ensure the consistent and sustained allocation of a high priority to export-led growth.
 - Maintain a dedication to conscious policy analysis and a well-researched approach to policy formulation and implementation.

It is recommended that a CEO for JAED be recruited immediately, to spearhead this restructuring process. A suggested Job Specification for the Chief Executive Officer, is set out in APPENDIX 5.

CHAPTER 4. PROFILE OF IMPLEMENTING ENTITIES:

JORDAN INVESTMENT BOARD (JIB)

and

JORDAN EXPORT DEVELOPMENT AND COMMERCIAL CENTERS CORPORATION (JEDCO).

This Chapter sets out, for the primary ‘implementing’ entities – JIB and JEDCO, some comments on vision statements, together with suggestions and notes on their features, functions and key tasks.

JORDAN INVESTMENT BOARD (JIB)

1. A Vision for JIB:

The Board of JIB will have to develop an up-to-date Vision Statement, reflecting its new mandate and structure and commenting succinctly on its key objectives for the years ahead.

2. Presenting JIB to its Clients.

JIB should present the country first, as a successful and competitive location. Then introduce the 'One-Stop-Shop' support and service that it offers:

“Achieve Competitive Advantage in Jordan”

Jordan – A Winning Economy

Performance of the Economy

Competitiveness

Track Record of FDI, Exports

- A Rewarding Investment....

Wide range of manufacturing and service activities.

Broad spectrum of company sizes

Attractive incentive package

High return on investment

Jordan – The Competitive Location in the Middle East

Access to Large Market

Free Trade Agreements with USA and EU

Low Tax

High Quality Staff

Pro-business Environment

Low Operating Costs

Generous Incentives

Sophisticated Transport Logistics

Excellent Telecommunications

Good Quality of Life

- Strong Support on the Ground

JIB is the government organization, which ensures that overseas companies establishing or expanding their operations in Jordan receive the best advice and assistance.

Jordan - Jordan offers investors a highly competitive package of investment

supports. **JIB** provides its services through dedicated teams of industry specialists in 12 offices worldwide.

JIB co-ordinates all the services and supports needed to ensure that your start-up or expansion is trouble-free and efficient –an experienced and professional 'One-Stop-Shop' to anticipate and meet your needs.

2. Reporting relationship;

The JIB Board, through its Chairman, reports to the Minister of Industry & Trade.

3. Chairman.

The JIB Chairman is a Leading Private Sector Businessperson

4. Composition of the JIB Board.

The Board should have the following members:

- CEO of JIB
- Senior Representative from Ministry of Industry & Trade
- CEO of JAED
- CEO of JEDCO
- CEO of JIEC
- CEO of FZC
- Six members drawn from the private sector. These might come from organizations such as; chartered accountancy Firm, consultancy firm - business development and investment, company director - technology company, director - multinational services firm, financial director – major bank, CEO - pharmaceutical company, CEO - textile / clothing company, director – electronics company, CEO – investment company, director of property development company or similar.

5. Relationships with Related Entities.

JIB will report to the Ministry of Industry & Trade. It will also interact closely with JAED, JEDCO, JIEC, FZC and the VTC.

See Diagram 1.

JAED and its relationship with other entities.

6. Internal Organization Structure.

See Diagram 3.

JIB, internal corporate structure.

7. Functions.

Proposed revisions to the Investment Law (the law that governs JIB) are currently being drafted.

8. Some Key Tasks for JIB:

In view of the proposed restructuring and refocusing of JIB, a number of issues will require immediate attention:

- capacity building within JIB, to empower it to fulfil its new mandate.
- reviewing what research has been done regarding the identification of, and targeting of 'growth sectors' internationally.

- study of positioning and structuring of overseas offices.
- positioning JIB to take a lead role in follow-up to “TIJARA” Recommendations – particularly
 - No. 5 *Promote Inward Investment for FTA Activities*;
 - Develop FTA-targeted Promotional Strategy;
 - Conduct Inbound and Outbound Investment Missions.
 - No. 6 *Enhance Jordanian Trade facilitation*;
 - Conduct Logistics Cost / supply Chain Analyses for priority Products;
 - Develop Agency-to-Agency Links with U.S. Federal and State Trade-related Agencies.
- develop concepts on how a Property Division could be brought in to the JIB organization.
- developing Marketing Messages about Jordan.
- research to identify and catalog all overseas companies that has already invested in Jordan.
 - Why did they do this?
 - What were their expectations?
 - In what way has Jordan satisfied / met their expectations?
 - In what ways are they disappointed?
 - What suggestions have they got, to bring about improvements?
- determining how well does Jordan stack up against its competitors?

9. Modelling JIB on IDA Ireland.

Appendix 6 sets out notes on how JIB might be modelled on IDA Ireland.

JORDANIAN EXPORT DEVELOPMENT AND COMMERCIAL CENTERS CORPORATION (JEDCO)

1. A Vision for JEDCO:

The Board of JEDCO will have to develop an up-to-date Vision Statement, reflecting its new mandate and structure and commenting succinctly on its key objectives for the years ahead.

2. Presenting JEDCO to its Clients.

JEDCO should present its services in a clear, client-friendly way. It should consider amending its name:

“JORDANIAN ENTERPRISE AND TRADE DEVELOPMENT CORPORATION.

We work with Jordanian industry and its partners on behalf of the Government of Jordan.

We support ambitious Jordanian companies:

- to build capability
- to innovate
- to grow
- to create new partnerships
- to reach international customers

We support international businesses:

- to find world class suppliers and partners in Jordan
- to trade profitably with Jordanian companies

For Jordanian clients:

We provide services and supports for Jordanian enterprise

We support ambitious start-up companies

We build industry-academic links for technological innovation

For International clients:

We connect buyers with Jordanian suppliers and partners

You can reach our people at 5 offices in Jordan and at 12 other locations worldwide.

Footnotes on JEDCO's services to Jordanian clients:

“As a client you are assigned a ‘Development Advisor’ as a primary point of contact who helps you assess your needs and capabilities, formulate your agreed growth plan and access a wide range of services and resources you need to execute your plan.

We can offer services to our clients across six key business functions:

- Business Planning & Information
- Research, Development & Design
- Production & Operations
- Marketing & Business Development
- Finance for Growth”

3. Reporting relationship.

The JEDCO Board, through its Chairman, reports to the Minister of Industry & Trade.

4. Chairman.

The JEDCO Chairman is a Leading Private Sector Businessperson

5. Composition of the JIB Board.

The Board should have the following members:

- CEO of JEDCO
- Senior Representative from Ministry of Industry & Trade
- CEO of JAED
- CEO of JIB
- CEO of JIEC
- CEO of FZC
- Six members drawn from the private sector. These might come from organizations such as; textile / garment manufacturing firm, food processing firm, chemicals company, pharmaceutical company, engineering firm, internationally traded services firm, major bank, a recruitment / skills development firm, an investment company, an international marketing or trading company.

6. **Relationships with Related Entities.**

JEDCO will report to the Ministry of Industry & Trade. It will also interact closely with JAED, JIB, JIEC, FZC and the VTC.

See Diagram 1. JAED and its relationship with other entities..

7. **Internal Organization Structure.**

See Diagram 4. JEDCO, internal corporate structure.

8. **Functions.**

JEDCO's functions will have to be set out in a revised Law covering JEDCO. Preparatory work is underway in developing such a Draft Law.

9. **Some Key Tasks for JIB:**

In view of the proposed restructuring and refocusing of JEDCO, a number of issues will require immediate attention:

- capacity building within JEDCO, to assist it fulfil its new and expanded mandate,
- reviewing JEDCO's services to all segments of Jordanian industry, followed by detailed recommendations about restructuring,
- reviewing of the research that has been done regarding the identification of, and targeting of 'best markets' internationally,
- developing recommendations regarding positioning and structuring of overseas offices.
- positioning JEDCO to take a lead role in follow-up to the relevant "TIJARA" recommendations – particularly
 - No. 3 *Upgrade and Diversify Jordanian Export Capabilities*;
 - Deepen Product-level Trade Impact Analysis;

- Conduct Product-level U.S. Market Research;
 - Provide Firm-level Technical Assistance
- No 4. *Promote Two-Way Trade:*
 - Establish Buyer-Seller Contacts;
 - Conduct Inbound and Outbound Trade Missions
- No. 6 *Enhance Jordanian Trade facilitation;*
 - Develop Agency-to Agency Links with U.S. Federal and State Trade-related Agencies.

10. Modelling JEDCO on Enterprise Ireland.

Appendix 7 sets out notes on how JEDCO might be modelled on Enterprise Ireland.

CHAPTER 5 NEXT STEPS.

Key Actions Required.

Committee to set a tight Time Schedule.

- The Investment Committee to work out a time-schedule regarding its future tasks, with a view to having JAED established by end of June. To reach final agreement of the setting up of JAED requires agreement of the future roles and responsibilities of JIB, JEDCO, JIEC and FZC. Drafting of proposed revised laws governing JIB and JEDCO is underway, but will need to be discussed, agreed and finalized.

Finalize drafting the JAED Law.

- Complete the drafting of the JAED Law, reflecting the Committee's views as expressed at its meeting on 25th March 2002.

Complete drafting a new Investment Law.

- Continue drafting the revised Investment Promotion Law (the law that governs JIB). Discuss the proposed revisions with the CEO of JIB. Bring forward the agreed Draft for discussion and endorsement by the full Committee.

Complete drafting a new JEDCO Law.

- Continue drafting the revised JEDCO Law. Discuss the proposed revision with the CEO of JEDCO. Bring forward the agreed Draft for discussion and endorsement by the full Committee.

Identify a strong and competent CEO for JAED.

- Appoint that person soon, so that USAID / AMIR can work closely with him / her in the job ahead.
- One of the first key tasks for the CEO and staff is to start working out an Enterprise Policy.
- A second urgent task is to review the complete range of incentives for investment in Jordan, benchmark these against incentives in competitor countries, develop recommendations for amendments (or additions as appropriate) and push for timely approval of these incentives.

Tight 'Action Task Force'.

- Develop a tight 'task-force' relationship between the new CEO of JAED, the CEOs of JIB, JEDCO, JIEC and FZC, with involvement also by a senior representative of MIT, in order to consolidate and solidify the consensus that has already been built up.

- Bring in Team-Building Coaching / Training Expertise, to assist this process.

Develop the Capacity of the Ministry of Industry & Trade.

- Identify the Capacity Building needs of the Ministry of Industry & Trade, to enable it to cope with this new situation competently, with commitment and dedication (over what is going to be a long haul). Provide technical assistance to the Ministry to strengthen its capacity. As AMIR is currently providing assistance, it is important that the implications of this new relationship between JAED, JIB, JEDCO, JIEC, FZC and the Ministry be taken into account.

Consider a Mentoring Initiative.

- Consider establishing a 'relationship between colleagues' between the Minister of Industry & Trade of Jordan and a former Minister of Industry & Commerce of Ireland.

Develop the Organizational Structure Design for JAED.

- AMIR to do more detailed definition of the functions and short-term tasks required of the (initial) JAED core staff; setting out job specifications, H.R and MIS systems for JAED and of the core structures and tasks of the (restructured) JIB and JEDCO. AMIR is bringing in experts from Forfas to commence this work, during the month of April 2002.

H.R Audits of JIB and JEDCO.

- Carry out "H.R" audits of JIB and JEDCO now, to get clear detail on the organizational structure of each entity as currently set up. These audits will assist the 'benchmarking' process outlined in the next paragraph. Note that AMIR has already commenced work on these audits.

Carry out Benchmarking, comparing JIB (and JIEC / FZC) with IDA Ireland and JEDCO with Enterprise Ireland.

- Bring in Experts from IDA-Ireland, Enterprise Ireland, FAS (or similar world class industrial development agencies) to carry out detailed Benchmarking Analyses, comparing what JAED, JIB, JEDCO, JIEC / FZC actually do and how they are structured, with the current situation in each of the similar Entities in Ireland.

Identify the gaps in structure, in skills, in reporting systems, in planning and execution of their roles. Pay particular attention to 'sectoral expertise' in each of the Jordanian industrial development entities, and to the competency in marketing – marketing messages, background information for investors, promotional methods, management of marketing / sales activities, detailed cost-information and cost-comparisons with relevant competitors. Set out optimum Corporate Structures (and reporting systems) bearing in mind the resource (money and people) constraints of these Entities. Define the required Reporting Relationships and Systems.

Develop job specifications for the executives at top, middle and junior management levels.

Make detailed recommendations on how the Jordanian entities can move forward.

Allow for heavy training / retraining of personnel in each of the Investment Entities. At all levels.

JIB and JEDCO to play lead roles regarding TIJARA and EU agreement.

- In the light of WTO membership; the US-Jordan FTA; and the EU-Jordan agreement; there is an urgent need to build up the competitiveness of local Jordanian companies. There appears to be a big gap in this respect, with no one Jordanian Development Entity adequately equipped to play the leading role that is necessary. Donor programs contribute to this task, but perhaps their efforts could be co-coordinated in a more focused and cumulative way. The Enterprise Ireland model is a sophisticated model (regarding development of 'home' industry) and particular weight should be put into transferring E.I.'s expertise into Jordan (through JEDCO).
- Various groups are currently involved in the 'TIJARA' activity, but JIB and JEDCO should position themselves more strongly to play lead roles.

Clarify the 'product' that 'Jordan Inc.' is offering.

- Develop clarity regarding *what does Jordan have to offer?*
- As soon as JAED gets established, start analysing Jordan's position regarding the '8 Parameters That Affect Investment Decisions':
 1. Infrastructure
 2. Factor Costs
 3. Economic Base / Opportunity
 4. Labor Market
 5. Corporate Environment
 6. Ease of Set Up and Operation / Exit
 7. Quality of Life
 8. Country Image

Clarify Jordan's Comparative Advantages.

- Carry out research and analysis on *How does Jordan stack up against regional / international FDI competitors?*

Prioritize National Industrial / Enterprise Development Objectives.

- Get better clarity in relation to what priorities (nationally) have been set for industrial investment and development.
- Narrow the focus of JIB and JEDCO's activities to core value-adding industrial development activities such as:
 - manufacturing.
 - internationally traded services.

(The suggested service industry categories that JIB or JEDCO could support are listed in Appendix 4).

- support services to industry.

Take JIB, JEDCO, JIEC / FZC out of government bureaucracy.

- Ensure that JIB and JEDCO get freed up from the straightjackets of being severely constrained by bureaucracy. They must truly be able to operate on a 'commercial', business-oriented basis.
- Pay attention to the crucial and sensitive 'personnel' issues inherent in changing the investment Entities from being government organizations to becoming semi-state organizations.

Facilitate the JIEC / FZC merger.

- Assist JIEC and FZC in bringing about their proposed merger. Review the (2 year old) JIEC / FZC merger proposal, and map out how this might be achieved in practical, legal and political terms. Keep in mind a desire to bring the new merged entity into the (new) JIB 'fold' as a medium to long term objective.

Develop strong national Marketing messages for Investors.

- Start developing strong image-building Marketing Messages, with all the necessary background justification arguments, facts and figures.

Produce a Comprehensive Directory of Investors in Jordan and of Jordanian Industry.

- Carry out a review of who has already invested in Jordan? Why did they do this? What were their expectations? In what ways has Jordan satisfied /met their expectations? In what ways are they disappointed? What suggestions have they got to bring about improvements?

Get Government backing to 'buy' Flagship Projects.

- Try to achieve Pilot Successes through each of the Entities, by focusing in on one (or two) key 'projects' that they have and providing the Entity with substantial (if short-term) technical assistance, through AMIR, to have 'Hits'.
- Note the government must buy-in to this and the government must be prepared to buy successes, if necessary, in order to build confidence and achieve winning results.

List of Diagrams:

Diagram 1. JAED and its relationship with other entities.

Diagram 2. JAED, internal corporate units.

Diagram 3. JIB, proposed organization structure.

Diagram 4. JEDCO, proposed organization structure.

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- Appendix 1.** Actions planned regarding the US-Jordanian Free Trade Agreement.
- Appendix 2.** Which Ministry should JAED, JIB, JEDCO, JIEC / FZC report to?
- Appendix 3.** Study Mission to Ireland.
- Appendix 4.** Suggested service industry categories that JIB or JEDCO could support.
- Appendix 5.** Job Specification for CEO of JAED.
- Appendix 6.** Developing the Jordan Investment Board (JIB).
- Appendix 7.** Developing the Jordan Export Development and Commercial Centers Corporation (JEDCO).
- Appendix 8.** Draft JAED Law.

APPENDIX 1

Some Action Plans related to the US-Jordanian Free Trade Agreement, as proposed in the TIJARA Report, and a note on current follow-up.

Extracts from the TIJARA Report, actions recommended and responsibilities:

Actions	Private Sector Role	GOJ Role	Role of Other Stakeholders
2. Expand Public Awareness & Information Dissemination			
<ul style="list-style-type: none"> <i>Create Shared Web Site for the Committee</i> 	<i>INTAJ, JABA, inputs from all</i>	<i>MIT</i>	<i>U.S. Embassy, AMIR</i>
3. Upgrade and Diversify Jordanian Export Capabilities			
<ul style="list-style-type: none"> <i>Deepen Product-level Trade Impact Analysis</i> 	<i>JABA, JTA, other associations</i>	<i>MIT, JEDCO</i>	<i>JUSPB, AMIR</i>
<ul style="list-style-type: none"> <i>Conduct Product-level U.S. Market Research</i> 	<i>JABA, JTA, other associations</i>	<i>MIT, JEDCO</i>	<i>JUSPB, AMIR</i>
<ul style="list-style-type: none"> <i>Survey Jordanian Companies</i> 	<i>Inputs from all</i>	<i>--</i>	<i>JUSPB</i>
<ul style="list-style-type: none"> <i>Provide Firm-level Technical Assistance</i> 	<i>Associations</i>	<i>JEDCO</i>	<i>JUSPB</i>
4. Promote Two-Way Trade			
<ul style="list-style-type: none"> <i>Establish Jordan-U.S. Business Linkages</i> 	<i>JABA, JTA, other associations</i>	<i>- -</i>	<i>JUSPB, AMIR</i>
<ul style="list-style-type: none"> <i>Establish Buyer-Seller Contacts</i> 	<i>JABA, JTA, other associations</i>	<i>JEDCO</i>	<i>JUSPB</i>
<ul style="list-style-type: none"> <i>Conduct Inbound and Outbound Trade Missions</i> 	<i>JABA, JTA, others</i>	<i>JEDCO</i>	<i>JUSPB, USDOC, USAID</i>
5. Promote Inward Investment for FTA Activities			
<ul style="list-style-type: none"> <i>Support the Reinvention of the Investment</i> 	<i>JABA and other associations; QIZ operators</i>	<i>JIB, ASEZA, JIEC, JEDCO,</i>	<i>USAID, AMIR</i>

<i>Promotion Function</i>		<i>QIZs</i>	
• <i>Develop FTA-targeted Promotional Strategy</i>	<i>Various associations; QIZ operators</i>	<i>JIB, ASEZA, JIEC</i>	<i>AMIR</i>
• <i>Conduct Inbound and Outbound Investment Missions</i>	<i>JABA and other associations, QIZs</i>	<i>JIB, ASEZA, JIEC</i>	<i>AMIR</i>
6. Enhance Jordanian Trade Facilitation			
• <i>Conduct Logistics Cost / Supply Chain Analyses for Priority Products</i>	<i>Relevant associations</i>	<i>Customs, MIT, JIB</i>	<i>AMIR</i>
• <i>Develop Agency-to-Agency Links with U.S. Federal and State Trade-Related Agencies</i>	--	<i>JIB, JEDCO and others</i>	<i>U.S. Embassy, AMIR</i>

Following the TIJARA Report, a number of teams have been established to look into different aspects of the Action Items that were set out in the report. Their work is ongoing.

The **teams** are:

Public Relations and Communications:

Team comprising representatives from JEDCO, JABA, National Center for IPR, JIB.

Trade and Investment promotion:

Team comprising representatives from: JBA, US Embassy, Amman Chamber of Commerce, Competitiveness Unit-Ministry of Planning, JEDCO, JABA, JAPM, National Center for IPR, JIB, INTAJ.

Research and Business Development:

Team comprising representatives from: Amman Chamber of Commerce, Competitiveness Unit – Ministry of Planning, JEDCO, JABA, National Center for IPR, JIB.

Public Policy / Advocacy:

Team comprising representatives from: NFBPW-Jordan, JBA, Amman Chamber of Commerce, JEDCO, JAPM, JABA, National Center for IPR, JIB.

APPENDIX 2.

Which Ministry Should Have Responsibility for JAED, JIB, JEDCO?

1. Ministry of Industry & Trade?
2. Ministry of National Economy?
3. Ministry of Planning?

Ireland

In Ireland, the Forfas, IDA-Ireland and Enterprise Ireland Organizations all report to the Ministry of Enterprise, Trade and Employment. So does FAS, the national Vocational Training Authority.

The Ministry of Enterprise, Trade and Employment is the successor to the Ministry of Industry & Commerce.

IDA and the Irish Trade Board reported, from their inception in the late 1960's to the ministry of Industry & Commerce. (At that time, neither Forfas nor Enterprise-Ireland existed). At that time, AnCo - the forerunner of FAS - reported to the Ministry of Labour.

Both Forfas and Enterprise-Ireland have reported to the Ministry of Enterprise, Trade & Employment since their inception in 1994.

Ireland does not have a separate Ministry of National Economy, or a separate Ministry of Planning.

At the core of the functions of both IDA and Enterprise-Ireland, is *company development* (i.e. individual firm-level growth and expansion) translating into *industrial development*.

Company development leads to *increased output, trade, exports and investment*.

It is appropriate therefore that these organisations are closely affiliated with the Ministry of Enterprise Trade and Employment. In the Jordanian context, the equivalent Ministry is the Ministry of *Industry & Trade*.

Forfas has responsibility for developing *Industrial / Enterprise Policy*, which impacts on other matters such as taxation, education, infrastructure, etc, but Forfas develops these policies through the activities of *national Councils or Committees* – thus ensuring participation of all interested parties from *all appropriate Ministries*.

Note, incidentally, that there has been, over the years, exchange of personnel from IDA into various Government Ministries (on a short-term basis) to help develop the expertise of these Government Ministries.

Singapore.

The ***Economic Development Board (EDB)*** is the government's primary agency that plans and executes strategies to make Singapore a compelling hub for business and investment across manufacturing and internationally traded services. EDB works with other agencies to develop the human, intellectual, financial and cultural capital to help multinational and Singapore-based companies upgrade to higher value-creating operations and to thrive in a vibrant, self-sustaining enterprise ecosystem, a total environment for enterprises of all sizes.

The Board of EDB is appointed by the Ministry of Trade and Industry and the organization reports to the Ministry of Trade and Industry.

EDB has a chairman, a co-chairman, a Managing Director and a Board of directors. The Board comprises of two public sector representatives and six members from the private sector.

Malaysia.

The ***Malaysian Industrial Development Authority (MIDA)*** also falls under the ***Minister of International Trade and Industry***. The Board of MIDA includes 4 public sector representatives and 8 private sector representatives. Senior representatives from the key agencies are stationed in MIDA.

APPENDIX 3**STUDY TRIP TO IRELAND**

(10TH to 16TH March 2002).

Participants;

H.E. Dr. Salah Al Bashir, Minister of Industry & Trade.
H.E. Amer Majali, CEO of Jordan Industrial Estates Corporation.
H.E. Farouk Al Hadidi, CEO of Jordan Export Development
and Commercial Centers Corporation.
H.E. Ali Madadha, General Director, Free Zones Corporation
Mrs. Nida' Maani, Economic Advisor, Prime Ministry
Mr. Emile Cubeisy, Advisor, ICT Promotion - Ministry of Post and Telecommunication
Mr. Faris Muasher, Researcher - Royal Court- Economic Department
Ms. Jumana Salti, Researcher - Royal Court- Economic Department
Ms. Raghida Helou, Advocate – IBLaw.
Mr. Charles Krakoff, Team Leader, Private Sector Policy Initiative, AMIR Program.

The itinerary was organized by Forfas and had the following content:

- Briefing on Forfas and on the overall functions of Forfas and the agencies.
- Presentation on the Forfas IT system and on the business information system.
- Presentation on the National Competitiveness Council.
- Presentation on the Forfas database for investment decisions.
- Presentation on the Forfas inputs regarding the requirements for infrastructure developments.
- Presentation on Enterprise Ireland's Planning activities.
- Presentation on the Science Foundation Ireland.
- Presentation by the Forfas H.R. manager.
- Visit to the International Financial Services Centre, Dublin.
- Presentation by Planning Manager of FAS (national vocational training authority).
- Presentation by Forfas manager – science and technology innovation.
- Presentation on IDA-Ireland's planning activities.
- Presentation on the Forfas role in issues such as – incentives for industry surveys employment, taxation, future skills needs, etc.

APPENDIX 4**Suggested Service Industry Categories that JIB or JEDCO could assist.**

- Software development
- Data processing and electronic commerce
- Technical and consulting services
- Commercial laboratory services
- Administrative centers, co-ordination and headquarters services
- Research and development services
- Media, multimedia and recording services
- Entertainment and leisure services
- Training services
- Publishing services
- International financial services
- Healthcare services
- Construction related services
- Environmental services
- Logistics management services

APPENDIX 5

Job Specification - CEO JAED

Establishment of the Jordanian Authority for Enterprise Development (JAED)

Appointment of Chief Executive

The Hashemite Kingdom of Jordan recognises the need to accelerate foreign direct investment, domestic investment, linkages between overseas and indigenous companies and the development of internationally traded services.

Following a review of international best practice, it has been decided that a national industrial development advisory and co-ordination organization will be established. This organization, to be called the Jordanian Authority for Enterprise Development (JAED), will report to the Minister of Industry & Trade, and will be responsible for formulating policies to promote the development of enterprise, trade, science and technology in Jordan.

In addition to formulating national enterprise policy, JAED will play a key role in guiding and harmonization the restructuring and transformation of Jordan's existing investment and trade promotion organizations.

JAED will supervise the implementation of enterprise policies by the Jordanian Investment Board (JIB) for the promotion and facilitation of inward investment, and by the Jordanian Export Development and Commercial Centers Corporation (JEDCO) for the promotion and facilitation of indigenous industry. JAED will also direct and co-ordinate the activities of a number of other specialist agencies and committees.

Reflecting JAED's remit, the role of the Chief executive has a strong emphasis on directing national enterprise policy development and strategic planning activities and monitoring the implementation of agreed public sector policies. The Chief Executive will be a member of the Board of JAED. He / she will ensure that the organization formulates and presents policy proposals to Government which support and enhance Jordan's position in economic and technical growth in the context of a changing domestic and international environment. He / she will also be a Member of the Boards of a number of key entities that are involved in the implementation of industrial development strategies.

The post requires an executive with a strong background in economics or business planning on a national scale and who is already operating at or near CEO level in either the public or private sectors.

This is the key position in an organization of considerable national importance and the successful candidate must be able to demonstrate outstanding strategic vision, innovation, strong leadership and the effectiveness to manage a high calibre professional organization. Equally important, he / she must have exceptional communications, representational and influencing capabilities to operate convincingly at the highest Government levels, and the personal and professional stature to network successfully with the many organizations and constituencies which impact on economic and technological development in Jordan.

In line with the importance and seniority of this post, an attractive remuneration package will apply to this appointment. This package will be attractive at an international level and the post may be of interest to experienced Jordanians living abroad (*or words to this effect*). The appointment will be held on a fixed term, performance related basis.

APPENDIX 6

MODELLING THE JORDAN INVESTMENT BOARD ON IDA IRELAND

- Section 1. The Functions of the Irish Industrial Development Agency IDA Ireland as defined by law.**
- Section 2. Notes on the Corporate Structures of IDA Ireland**
- Section 3. Modelling JIB on the IDA Ireland model.**

Section 1. The Functions of the Irish Industrial Development Agency IDA Ireland as defined by law.

IDA Ireland

IDA was established in 1994 to focus on bringing new overseas business to Ireland and to promote the expansion of the existing base of overseas companies.

Many of its powers derive from legislation which governed the former Industrial Development Authority, which was abolished on 1st January 1994, and are assigned to IDA by Forfas under Section 9 of the Industrial Development Act 1993.

IDA operates under the provisions of the following Acts –

- Industrial Development Act, 1986
- Industrial Development Amendment Act, 1991
- Industrial Development Act, 1993
- Industrial Development Act, 1995
- Industrial Development (Enterprise Ireland) Act, 1998

IDA activities are also governed by other national and EU laws.

The principal functions of IDA as described in the 1993 Act are –

- to promote the establishment and development, in the State, of industrial undertakings from outside the State,
- to make investments in and provide supports to industrial undertakings which comply with the requirements of the enactments for the time being in force,
- to administer such schemes, grants and other financial facilities requiring the disbursement of European Community Funds as may from time to time be authorised by the Minister with the concurrence of the Minister for Finance.

IDA's client base is comprised of companies whose strategic control is outside Ireland (except for food companies using Irish raw materials) and which –

- make products for sale primarily on world markets; or
- make products of an advanced technological nature for supply to internationally trading or skilled sub-supply firms within the State; or
- make products for sectors of the Irish market which are subject to international competition; or
- are service industries as specified by the Minister.

Decisions under the legislation governing IDA are made by the relevant Board or Committee or member of staff by the application of the legislation to the circumstances of the particular case and not by reference to 'precedent' decisions made in other cases. Accordingly, IDA does not keep an index of precedents.

Section 2. Notes on the Corporate Structures of IDA Ireland

IDA Ireland Organisational Structure

- **Chairman. (Non-executive)**
- **Board of Directors (Non-executive - except from the CEO of IDA)**
- **Chief Executive (who is a Member of the Board).**

In addition to the executive decision making activities of the full Board, IDA has a number of (internal) committees:

- **Investment Committee;**
- **Audit & Finance Committee;**
- **Management Development and Remuneration Committee;**
- **Property Committee.**

IDA has two 'Executive Directors':

- **Executive Director –Operations and**
- **Executive Director – Business Development.**

Each of these Directors has responsibility for a number of operational Divisions.

In addition, the CEO takes line responsibility for a number of operational Divisions.

The **Executive Director - Operations** manages a number of Divisions. Each Division provides industrial development support services to foreign-owned client companies in various sectors of industry:

ICT Division	Media. Telecom. Semiconductors. Systems. Components. Peripherals.
---------------------	--

Process Manufacturing Division	Pharmaceuticals. Healthcare. Food. Services. Engineering. Consumer.
International & Financial Services Division	International services. Non-regulated financial services. Regulated financial services.
Software Division	Existing software companies. E-business.

The **Executive Director - Business Development** manages:

Planning Division	Economic analysis. EU affairs. State aids. Infrastructure. Customer survey / market share. Tax.
New Business Division	Identifying new sectors. E-business
Overseas Offices Division	US. Europe. Asia-pacific
Regions Division	Border. West / Midlands. South. East. Administration.
Property Division	Lease management. Insurance. Policy. Budgets. Sites – East. Sites – West. Property disposal. Marketing.

The **CEO**, in addition to his top management duties, manages:

IT & Marketing Services Division (a support Division to the IDA, internally).	Software development, installation, network administration. Business information. Brochures. Multimedia. Internet. Overseas press & p.r. VIP visits.
Press & Public Relations Division	Media. Public Relations. Publications
Office of the Secretary	Secretariat. Government liaison. Legal. Solicitor's office. Internal audit.
Accounts & Grant Payments Division	Financial / management accounts. Budgets. Debtors. Payroll. Suppliers. Statutory returns. Grant payments.
Personnel & Organisational Development Division	Recruitment,. Management development. Staff development. Training. Equality. Pensions. Salaries. Communications.

Section 3. Refocussing and developing JIB.

JORDANIAN INVESTMENT BOARD (JIB).

For JIB to move to becoming a world class FDI promotion and facilitation organization, a restructuring is recommended.

Some features of the restructured organization are set out below, not in final form, but as general indicators.

Vision / Mission Statement for JIB ----- the Board of JIB will have to develop new Vision and Mission statements.

JIB to present Jordan to Investors in a succinct and appealing way.

JIB should present the country first, as **a successful and competitive location**.

Then introduce the **‘One-Stop-Shop’** support and service that it offers:

“ACHIEVE COMPETITIVE ADVANTAGE IN JORDAN”

JORDAN – A Winning Economy

Performance of the Economy

Competitiveness

Track Record of FDI, Exports

- A Rewarding Investment....

Wide range of manufacturing and service activities.

Broad spectrum of company sizes

Attractive incentive package

High return on investment

JORDAN – The Competitive Location in the Middle East

Access to Large Market

Free Trade Agreements with USA and EU

Low Tax

High Quality Staff

Pro-business Environment

Low Operating Costs

Generous Incentives

Sophisticated Transport Logistics

Excellent Telecommunications

Good Quality of Life

- Strong Support on the Ground

JIB is the government organization, which ensures that overseas companies establishing or expanding their operations in Jordan receive the best advice and assistance.

Jordan offers investors a highly competitive package of investment supports. JIB provides its services through dedicated teams of industry specialists in 12 offices worldwide.

JIB co-ordinates all the services and supports needed to ensure that your start-up or expansion is trouble-free and efficient –an experienced and professional ‘One-Stop-Shop’ to anticipate and meet your needs.

Recommended Corporate Structure of JIB:

- **Board of Directors** (Chairman and Directors)
- The **CEO** of JIB is a Member of the Board.
- **Two Deputy CEOs.**
- **Divisional Managers:**
 - Manager - Industry Sectors – Group A. (see Note 1.)
 - Manager - Industry Sectors – Group B. (see Note 1.)
 - Manager - Industry Sectors – Group C. (see Note 1.)
 - Manager - Responsible for all Overseas Offices. (see Note 2.)
 - Manager – Responsible for (Regional) Offices in Jordan (see Note 3.)
 - Manager - Planning Division (see Note 4.)
 - Manager – Marketing Services Division and Information (see Note 5.)
 - Manager – Property Division (see Note 6.)
 - Manager – Admin, HR, Finance & Accounting etc (see Note 7.)

Comment; it might be possible to combine some of these divisions, e.g.

- Regional Offices to go with the Property Division,
- Marketing Services and Information to go with Planning.

Notes on the Above Corporate Structure.

Note (1). Teams to be established, on a Sectoral basis, as appropriate for Jordan...

- Electronics (including consumer electronics)

- Engineering / automotive / aerospace, marine
- Pharmaceuticals / healthcare, medical devices and medical equipment, cosmetics, 'Dead-Sea products').
- Chemicals (including mining of minerals and processing of 'heavy chemicals', paints, etc.)
- Consumer Products (including furniture, building materials, marble, stone etc.)
- Textiles, garments, footwear
- Food Processing
- International Services:

Each Division will be heavily Target-Driven, with close monitoring of Progress against Targets.

The individual members of staff will each have a Portfolio of client companies, each of which will be their sole responsibility to service.

Each staff member will play a strong 'project management / development' role.

Each staff member in the division must be brought up to a reasonably high level of expertise in their respective industrial sector.

They may require significant coaching and training in this.

Ideally, they will understand and be familiar with the main industrial (or service) processes pertaining to that sector.

They will be trained to understand the dynamics of the sector, what are the factors governing success or failure, who are the players (internationally), with a reasonably in-depth knowledge of how the key players are performing. They must become aware of and sensitive to the competitive factors in that sector, the threats and the opportunities. And emerging sub-sectors, industries or 'niche' opportunities within the sector.

They must have good skills in project evaluation.

They must have negotiating skills.

They must have good client service skills.

They must be constantly seeking to identify linkage opportunities for their clients.

And seeking to identify and encourage expansion opportunities.

They must become 'Project Champions' for each of the projects in their Portfolio.

They must be able to prepare succinct, yet in-depth, Project Proposals to the Board

They must follow through on all the paper work deriving from the approval by Board, up until the stage of successful start-up of production of the new project.

They must constantly monitor the progress of each project, by having regular meetings with the CEO of each of 'their' projects in Jordan,

Note (2). Dedicated Overseas Offices are required, in a number of key Territories.

An indicative network is set out below:

North America: Offices in New York + West Coast
(With a 'Territory Director' in the New York Office).

Europe: Offices in London + Frankfurt
(With a 'Territory Director' in the Frankfurt Office).

The Region: Office in Amman –covering the Arab region.
(With a 'Territory Director' in the office).

Far East: Office in Tokyo
(With a 'Territory Director' in that office).

Responsibilities of Territory Director:

- Develop Annual Work Plans for the Territory, in close consultation with Head Office.
- Agree Budgets.
- Supervise and coordinate the activities of the various offices in the Territory.
- Take direct line responsibility for the marketing activities in certain sectors.
- Manage all (significant) Promotional Programs and all P.R. Programs. Generating positive publicity about Jordan.
- Advertising.
- Public Relations.
- Press Releases.
- Getting business journalists to visit Jordan.
- Organising Promotional Functions:
- Investment Missions to the Territory by VIPs from Jordan (H.M. the King, Government Ministers, business leaders).
- Follow-up after these functions.

- Reporting to Head Office:
- Monthly report on activities, progress on targets,
- **Identification of issues, identification of new growth sectors, new business opportunities, financial reporting.**
- Office and personnel administration.

Minimum staff compliment of each office: Manager, deputy, secretary

Each Office will be heavily **Target-Driven**, with close monitoring of Progress against Targets.

Targets to include:

1. Number of Presentations made.
(A Presentation Report must be made for each presentation, with a copy to the Territory Director and to the relevant Sectoral Divisional Manager / counter-part back at Head Office).
2. Number of Site Visits Achieved.
3. Number of Repeat (Second or Third) Site Visits.
4. Number of Projects Approved by the JIB Board (or Committee, if appropriate).
5. Number of Jobs approved.

Tasks of Marketing Executives in each Office:

- Intelligence gathering.
- Identification of potential target companies.
- Preparation of tailored Presentations – ‘Investment Opportunities’.
- Making formal detailed Presentations.
- Follow-up (information, etc).
- Arranging Site visits to Jordan.
- Follow-up after site visits (assistance to client in preparation of Investment Proposals).
- Assistance in getting Project in Jordan started.
- On going monitoring and client service after start-up.

Note (3) (Jordan) Regional Manager.

This person will be based at JIB's Head Office and will have responsibility for the local offices throughout Jordan.

Jordan Regional Offices. These offices are part of the ‘One Stop Shop’ service to clients. JIB should have staff located on the major industrial estates:

Providing client support and project management services;
 Providing facilitation services to the foreign companies and to their management (e.g. dealing with permits, helping expatriate managers to 'settle-in', assisting them regarding housing, schooling, social activities, dealing with visas, etc. permits,)
 Providing assistance with recruitment, skills development;
 Promoting linkage;
 Assisting with transport logistics, etc.

In addition the Office manager will be involved in local Public Relations on behalf of JIB..

Note (4) Planning Manager.

This will be a JIB "In-house" expertise / responsibility for operational planning.

- Identification of and research into emerging growth sectors or individual business opportunities / niche opportunities (outside of the divisional responsibilities),
- Monitoring of JIB's performance against targets,
- Intelligence gathering on competitor activities,
- Monitoring of client satisfaction,
- Identification of issues relating to the further development of foreign investment in Jordan, Analysis of the economic impact of FDI into the Jordanian economy,
- Monitoring of the effectiveness of the JIB program, structures, etc.
- Monitoring of the performance (locally and internationally) of the big, overseas-owned projects in Jordan, and reporting to the Board on a Quarterly basis. (A type of early-warning system).

Note (5) Manager Marketing Services and Information.

- Development of Marketing Messages.
- Design and implementation of Promotional Campaigns (in coordination with overseas offices and regional offices), including Jordanian Industrial Promotions by H.M., Ministers or groups of Industrialists, abroad.
- Including participation at overseas Trade Fairs or Conferences.
- Design and production of Promotional Material and Campaigns, including Web-site design and maintenance, CD ROMs, videos,
- Public Relations (including Press Releases, dealing with the Media),
- Organising Journalist's visits (in co-ordination with overseas offices, as necessary).
- Competitor Monitoring (in conjunction with Planning Division).

Note (6). Manager - Property Division:

- Ownership of all State land for industrial development, manufacturing and international-traded services. Development of such land.
- Building design, construction, maintenance and property management activities for JIB. Design service to clients. Sale, lease or rent of land to clients.
- Construction of industrial or office buildings for clients.
- Sale, lease or rent of advance factories or office buildings to clients.
- (Note: no role in promotion.)

Note (7). Manager – Administration / Human Resources Division.

- Recruitment.
- Staff development.
- Labor relations.
- Remuneration, grading, career development, staff benefits, insurance, health, equality, pensions, dispute resolution and general H.R.-related issues.
- Systems Department: Management Information Systems.
- Secretariat: Secretarial, legal and administration responsibilities.
- Accounts Department: Finance and accounting.

APPENDIX 7 **MODELLING JEDCO ON ENTERPRISE IRELAND**

Section 1. The Functions of Enterprise Ireland as defined by law.

Section 2. Notes on the Corporate Structure of Enterprise Ireland

Section 3. Modelling JEDCO on the Enterprise Ireland model.

Section 1. The Functions of Enterprise Ireland as defined by law.

Enterprise Ireland

Enterprise Ireland was created by the Government to assist the growth of Irish enterprise by providing locally controlled businesses with a single, integrated source of development advice, funding and support services. It was established on 23rd July 1998 under the Industrial Development (Enterprise Ireland) Act, 1998. It reports to the Minister for Enterprise, Trade and Employment and is an agency of Forfas.

Enterprise Ireland is governed by the provisions of the Industrial Development Acts 1986 to 1988, the Science and Technology Act 1987 and the Industrial Research and Standards Act 1961.

The functions of Enterprise Ireland are defined by the Act as follows:

- To develop industry and enterprise in the State
- To promote, assist and develop the marketing of goods
- To promote, assist and develop the marketing of service industries, within the meaning of the Industrial Development Act, 1986 (see Appendix 1 for list of designated industries)
- To assist enterprises in strategy assessment and formulation
- To develop the technological base and capacity of enterprises to innovate and undertake research, development and design
- To strengthen the skills base of industry
- To provide services which support such development
- To make investments in and provide supports to industrial undertakings which comply with the requirements of the enactments for the time being in force
- To administer such schemes, grants and other financial facilities requiring the disbursement of European Union and other such funds as may from time to time be authorised by the Minister with the concurrence of the Minister of Finance
- To apply for and receive, in the State or elsewhere, any trade marks, licences, protections or concessions, in connection with trade or the marketing of goods or services, and in relation thereto, to do all such things as Enterprise Ireland considers necessary or desirable for the purposes of its functions

- To carry out other such functions as may from time to time be assigned to it by Forfas, with the consent of the Minister.

Section 2. Notes on the Corporate Structure of Enterprise Ireland

Enterprise Ireland Corporate Structure

- **Chairman. (Non-executive)**
- **Board of Directors (Non-executive - except for the CEO of Enterprise Ireland)**
- **Chief Executive (who is a Member of the Board).**

The organisation of Enterprise Ireland is structured into **seven Directorates**, each headed by a Director who reports to the CEO.

These Directorates are:

- Software & International Services
- Food, Natural Resources, Consumer, Regional Development and UK
- Industrial Products and Europe
- Development
- Investment Services
- Technology Services
- Science & Innovation and Corporate Support Services

The Press Relations function works directly to the CEO.

More detail on the Directorates;

Software and International Services, Americas, Asia Directorate:

Software and Internationally Traded Services	Information, internet, telecoms. Financial, healthcare, training. Education, digital media, e-business.
National Informatics Directorate	Informatics Programme in Advanced Technology
Americas	New York, West Coast, Boston
Asia / Rest of World	China, Hong Kong, Kuala Lumpur, Riyadh, Singapore, Sydney, Tokyo.

Food, Natural Resources, Consumer, Regional Development and UK Directorate:

Food and Natural Resources	Consumer Foods, Fish, Mushrooms, and High Growth Start-ups (Food). Dairy / Drinks / Inward Investment / Poultry / Other Foods Beef / Lamb / By-Products / Pigmeat Timber and Furniture Consumer Products Ireland Market Bio Research Ireland
Regional Development and UK	Regional Offices – Ireland - (Midlands, South West, Dublin / Mid East, West, North East, North West, South East,) Regional Offices – UK - (Belfast, London, Manchester, Glasgow) Regional Development

Industrial Products and Europe Directorate:

Industrial Products – Group 1	Healthcare / Pharmaceuticals / Paper, Print and Packaging / Construction. Industrial High Growth Start-ups. Market Development
Industrial Products – Group 2	Engineering. Electronics. International Business Linkage
Offices in Europe (1)	Dusseldorf. Munich. Berlin. Vienna. Stockholm. Copenhagen. Warsaw. Prague. Budapest. Moscow.
Offices in Europe (2)	Paris, Milan, Brussels, Amsterdam, Madrid. AMT / Materials Ireland PEI Technologies Optronics Ireland

Development Directorate:

Quality
Promotions
International Identity Development – international media
Corporate Marketing
Information Services Centre
Innovation Services Design and eBusiness
Operations
Excellence
Graduate Placement
Mentor Programme
Human Resource Development (EI Clients)

Investment Services Directorate:

Equity
Commercial Evaluation

Technology Services Directorate:

Technology Development	Construction and engineering technology. Materials technology. Materials inspection and testing. National Electronics Test Centre (NETC).
Environmental Services	Environment and analytical laboratory. Shannon laboratory.

	<u>Atmospheric environment.</u>
Irish Energy Centre	Operations
National Metrology Laboratory	

Science and Innovation and Corporate Support Services Directorate:

Corporate Services	Grant Payments. Legal and Client Services. Internal Administration. Information Technology.
Science and Innovation	International Programmes and EU Affairs. PATs Co-ordination and Intellectual Property. RTI Initiative and Innovation Management. Regional / North-South Innovation Initiatives and Research Training. Innovation Projects. HE-Strategic Research / Logistics / Research Policy.
Human Resources	
Superannuation / Employee Benefits	
Policy and Planning	Corporate Planning Sectoral / Enterprise Development
Corporate Governance	
Finance	Accounting Operations

Section 3. Refocussing and developing JEDCO.

JORDANIAN ENTERPRISE AND EXPORT DEVELOPMENT BOARD

For JEDCO to move to becoming a world class DDI promotion and facilitation organization, a restructuring is recommended.

Some features of the restructured organization are set out below, not in final form, but as general indicators.

Vision / Mission Statement for JEDCO ----- the Board of JEDCo will have to develop new Vision and Mission statements.

JEDCO should present its services to local entrepreneurs in a clear and informative way ---

We work with Jordanian industry and its partners on behalf of the Government of Jordan.

We support ambitious Jordanian companies:

To build capability

To innovate

To grow

To create new partnerships

To reach international customers

We support international businesses:

To find world class suppliers and partners in Jordan

To trade profitably with Jordanian companies

For Jordanian clients:

We provide services and supports for Jordanian enterprise

We support ambitious start-up companies

We build industry-academic links for technological innovation

For International clients:

We connect buyers with Jordanian suppliers and partners

You can reach our people at 5 offices in Jordan and at 12 other locations worldwide.

Footnotes on JEDCO's services to Jordanian clients:

As a client you are assigned a 'Development Advisor' as a primary point of contact who helps you assess your needs and capabilities, formulate your agreed growth plan and access a wide range of services and resources you need to execute your plan.

We can offer services to our clients across six key business functions:

Business Planning & Information

Research, Development & Design

Production & Operations

Marketing & Business Development

Finance for Growth"

Recommended Corporate Structure of JEDCO.

- **Board of Directors** (Chairman and Directors)
- The **CEO** of JEDCO a Member of the Board.

- **Divisional managers:**

- Manager – Medium & Large Industry Development Division (see Note 1.)
- Manager – Small Industry Development Division (see Note 2.)
- Manager – International Services Division (see Note 3.)
- Manager - Linkage Program (see Note 4.)
- Manager – Export Promotion / Trade Development (see Note 5.)
- Manager – Responsible for Overseas Offices (see Note 6.)
- Manager – Responsible for (Regional) Offices in Jordan (see Note 7.)
- Manager – Planning Division (see Note 8.)
- Manager – Marketing Services Division and Information (see Note 9.)
- Manager – Admin, HR, Finance & Accounting, etc. (see Note 10.)

General Note:

A Development Advisor is the first (real) point of contact, after an initial enquiry. Assume the Development Advisor is within each Sectoral Division, and is nominated as the contact person, once an initial enquiry comes from a Client Company.

The client company is bracketed by:

- (a) what sector they are in
- (b) what (employment) size are they

If the company employs fewer than 50 persons (manufacturing) or less than 10 persons (services) it falls into the Small Industry Class. These companies are dealt with on a Regional Basis. All larger companies are dealt with by Head Office, on an Industry Sector basis.

Specific Notes:

Note (1). Medium & Large Industry Development Division.

This Division will handle all (majority Jordanian-owned) companies employing more than 50 permanent, full-time employees.

Within the Division, there will be a number of Departments, structured on a Sectoral basis, as appropriate for Jordan...

- Electronics (including consumer electronics).
- Engineering / automotive / aerospace, marine.
- Pharmaceuticals / healthcare, medical devices and medical equipment, cosmetics, 'Dead-Sea products').
- Chemicals (including mining of minerals and processing of 'heavy chemicals', paints, etc.)
- Consumer Products (including furniture, building materials, marble, stone etc.)

- Textiles, garments, footwear.
- Food Processing.

Notes on the Sectoral Departments.

Each Department will be heavily Target-Driven, with close monitoring of Progress against Targets.

The individual members of staff will each have a Portfolio of client companies, each of which will be their sole responsibility to service.

Each staff member will play a strong 'project management / development' role.

Each staff member in the division must be brought up to a reasonably high level of expertise in their respective industrial sector. This to include competence in market-research, carrying out of feasibility studies, preparation of investment proposals, project appraisal, sourcing appropriate finance for growth and development

They may require significant coaching and training in this.

Ideally, they will understand and be familiar with the main industrial (or service) processes pertaining to that sector.

They will be trained to understand the dynamics of the sector, what are the factors governing success or failure, who are the players (internationally), with a reasonably in-depth knowledge of how the key players are performing. They must become aware of and sensitive to the competitive factors in that sector, the threats and the opportunities. And emerging sub-sectors, industries or 'niche' opportunities within the sector.

They must have good skills in project evaluation.

They must have negotiating skills.

They must have good client service skills.

They must be constantly seeking to identify linkage opportunities for their clients.

And seeking to identify and encourage expansion opportunities.

They must become 'Project Champions' for each of the projects in their Portfolio.

They must be able to prepare succinct, yet in-depth, Project Proposals to the Board

They must follow through on all the paper work deriving from the approval by Board, up until the stage of successful start-up of production of the new project.

They must constantly monitor the progress of each project, by having regular meetings with the CEO of each of 'their' projects in Jordan,

Note (2). Small Industry Development Division.

This Division will handle all (majority Jordanian-owned) companies employing fewer than 50 permanent, full-time employees.

Within the Division, there will be a number of Departments, structured on a Sectoral basis, as appropriate for Jordan...

- Electronics (including consumer electronics)
- Engineering / automotive / aerospace, marine
- Pharmaceuticals / healthcare, medical devices and medical equipment,
- cosmetics, 'Dead-Sea products').
- Chemicals (including mining of minerals and processing of 'heavy chemicals', paints, etc.)
- Consumer Products (including furniture, building materials, marble, stone etc.)
- Textiles, garments, footwear
- Food Processing

Notes on the Sectoral Departments.

Each Department will be heavily Target-Driven, with close monitoring of Progress against Targets.

The individual members of staff will each have a Portfolio of client companies, each of which will be their sole responsibility to service.

Each staff member will play a strong 'project management / development' role.

See Note 1 (above) for more detail on key tasks and capability requirements of the Project officers.

Note (3). International Services Division.

This Division will deal exclusively with qualifying service-industry projects that are sponsored by majority Jordanian-owned firms.

Teams to be established, on a Sectoral basis, as appropriate for Jordan...

Service Industry Categories that can be assisted.

- Software development
- Data processing and electronic commerce
- Technical and consulting services
- Commercial laboratory services
- Administrative centers, co-ordination and headquarters services
- Research and development services
- Media, multimedia and recording services
- Entertainment and leisure services
- Training services
- Publishing services
- International financial services
- Healthcare services
- Construction related services
- Environmental services
- Logistics management services

As with each operational Division, it will be heavily Target-Driven, with close monitoring of Progress against Targets.

The individual members of staff will each have a Portfolio of client companies, each of which will be their sole responsibility to service.

Each staff member will play a strong 'project management / development' role.

See Note 1 (above) for more detail on key tasks and capability requirements of the Project officers.

Note (4). Linkage Program Division.

This Division will seek to maximize the value added into the Jordanian economy arising from local expenditure by foreign-owned firms in Jordan.

Skilled staff will study in detail the purchasing requirements of these foreign-owned firms, with respect to:

- Products needed
- Product specifications
- **Prices**
- Required quantities (per month or per annum)
- Growth projections etc.

They will then seek to identify companies in Jordan that can, immediately or potentially, become qualified as acceptable suppliers.

The staff (with the support of technical assistance from AMIR) will establish direct 'company to company' links (buyer-seller relationships) and will play a 'brokerage' role in getting business going.

For those supplier companies that do not currently meet the minimum acceptable 'accreditation' standards, they will map out and oversee implementation of company development initiatives, leading to such accreditation.

Note (5). Export Promotion / Trade Development Division
This Division will have responsibility for:

- Providing market information, advisory services, group promotional programs and incentives to individual exporters with the objective of developing the export potential of small and medium sized firms, recognising their national significance

Assisting large scale exporters, recognising their contribution to overall growth

- Identifying potential export markets and products for Jordanian producers of goods and services
- Influencing and developing the export environment within Jordan

To achieve these purposes, services provided will include the provision of marketing and design advice, market information, the organisation of group projects, and financial incentives.

The various services and activities can be grouped as follows:

1. Programs aimed at increasing exports. These cover market research, joint **promotional activities, consumer promotions, overseas office activities, liaison with other bodies, information on Trade Groupings (e.g. the USA, the EU, etc.), buyer servicing, PR activity and marketing advisory activities.**
2. Programs aimed at providing a basic service. These include a trade information service*, transport information, publications and publicity, and the basic overseas office service.
3. Programs aimed at providing a design advisory service, with a view to improving the acceptability and competitiveness of Jordanian products in international markets.

* including information on Customs regulations and tariffs, letters of credit, freight forwarding and handling, visa procurement.

Marketing advisers must know their companies and the problems and plans they may have, be able to assess the capacity of their companies to fulfil these plans, and guide them and design JEDCO's support work accordingly. They are like account executives, representing the agency to the client and the client to the agency. They must be able to judge the company's need for JEDCO's

services plus its receptivity to JEDCO's inputs and what use it will make of them. Grants can be used as a lever to encourage companies to plan properly.

Companies may require assistance in the preparation of suitable promotional literature (via the Design Section).

Don't forget the importance of the company's local agent in all activities abroad. Distribution is essential and few companies can afford the expense or manpower to service export markets directly on a continuous basis. Overseas offices have a role to play in keeping in touch with the local agents, who usually know what can practically be achieved, rather than what is achievable in theory (this applies also to Customs clearance, delivery times etc.)

Group promotional activities can be divided into

- ◆ Trade fairs
- ◆ Trade missions
- ◆ Sectoral missions
- ◆ Store promotions
- ◆ Inward missions

The marketing adviser should liaise very closely with specialist sections (such as the Promotions Dept, Print & Publications Section, PR Dept and head-office/local office marketing adviser, as the case may be).

Sectoral missions can be useful when potential is identified for a product sector which it is believed is not being optimised. Publicity should be concentrated among buyers in the target product group.

Ideally, a trade mission is followed by trade fair participation, then by sectoral missions to increase penetration of specific market sectors, with inward missions building on links already established.

Market Research covers information required for a strategic long-term decision, for tactical short-term decisions, or to build up a decision maker's background knowledge on the marketing situation. All exporters require information on trade conditions abroad and on export opportunities. They need information on market statistics and forecasts, legislation and regulations, labor laws, tariffs and regulations, labor permits, taxation, business opportunities, and operating conditions in their target markets, transport packaging (note, this is very important when exporting to USA) seasonal variations in buying or stocking. Commercial documentary requirements, distribution channels, agency legislation, trade and industrial associations, safety requirements, etc.

Transport Information is required on all aspects of inland haulage, sea freight, air freight and warehousing. The section may provide this via a general information service and may also issue bulletins to advise of developments. Information on freight rates can be provided for individual exporters. The section can negotiate with transport companies on behalf of exporters to seek reductions of freight rates, improvements in frequency or standards of services, special facilities etc. It can survey new shipping services and facilities and liaise with Port Authorities in the principal destinations of Jordanian exports. It can advise on shipping documentation.

The Overseas Office

The role of the overseas office is to carry out the work sent by Head Office sections, whether this be in the fields of market research, trade fairs, exporter services, buyer servicing, press and public relations or administration.

Exporter servicing involves making itineraries as well as maintaining liaison between the buyer and the exporter, which can be very time-consuming in certain markets e.g. Japan.

Buyer servicing focuses on answering trade enquiries and meeting with buyers and agents to find out if they have any problems with the Jordanian

companies; assuring them that they have someone in their own country who cares about the problems they may be having.

Note (6) Overseas Offices Division

Dedicated Overseas Offices are required, in a number of key Territories.
An indicative network is set out below:

North America Offices in New York + West Coast
(With a 'Territory Director' in the New York Office).

Europe Offices in London + Frankfurt
(With a 'Territory Director' in the Frankfurt office).

The Region Offices in Amman, Cairo, Tel Aviv, Beirut, Damascus, Saudi Arabia, Turkey?
Pakistan?
(With a 'Territory Director' in the Amman office).

Far East Office in Tokyo?
(With a 'Territory Director' in that office).

Responsibilities of Territory Director:

- Develop Annual Work Plans for the Territory, in close consultation with Head
- Office.
- Agree Budgets.
- Supervise and coordinate the activities of the various offices in the Territory.
- Take direct line responsibility for the research and marketing activities in certain sectors.
- Manage all (significant) Promotional Programmes and all P.R. Programmes.
- Advertising.
- Public relations.
- Getting business journalists to visit Jorda.
- Organizing Promotional Functions, Trade Missions, Inward Buyer Missions, etc.
- Follow-up after these functions.
 - Reporting to Head Office.
 - Monthly report on activities, progress on targets.
 - Identification of issues, new business opportunities.
 - Financial reporting
 - Office and Personnel administration.

Minimum Staff compliment of Each Office: Manager, deputy, secretary.

Each **Office** will be heavily **Target-Driven**, with close monitoring of Progress against Targets.

Targets to include:

1. Number of Presentations made.
(A Presentation Report must be made for each presentation, with a copy to the Territory Director and to the relevant Sectoral Divisional Manager / counter-part back at Head Office).
2. Number of 'Seller' Missions arranged – from Jordan to that Office area.
3. Number of 'Buyer' Missions arranged – to Jordan from that Office area.
4. Number of Repeat (Second or Third) Buyer Missions / Site Visits from that Office area to Jordan.
5. (Dollar) Value of Orders placed with Jordanian companies, measured by:
 - (a.) value in first year.
 - (b.) projected value over three following years.
- 6 Other Targets?

Tasks of Marketing Executives in each Office:

- Intelligence gathering / research projects.
- Identification of potential target companies (Companies that are likely to buy products or services from Jordan).
- Preparation of tailored Presentations - 'Purchasing / Service Supply Opportunities'.
- Making formal detailed Presentations.
- Follow-up (information, etc).
- Arranging Buyer Missions to Jordan.
- Follow-up after such missions (assistance to the prospective Buyer, ensuring that any samples, prices, specifications or other requests are being followed-up upon by the Jordanian supplier).
- Assistance in getting trading relations with Jordan started.
- On going monitoring and client service after direct supplier-buyer business starts.
- Arranging Seller Missions from Jordan out to that market area.
- Identifying suitable Purchasing Managers etc. to be approached.
- Arranging itineraries, Mission logistics, etc.
- Implementing the Missions.
- Follow up to ensure that 'deals' are being done and are being professionally serviced.
- Generating positive publicity about Jordan as a market for sourcing products and services.
- Assist in organising Promotional Functions.

Trade Promotion Missions to the Territory by VIPs from Jordan

(H.M. the King, Government Ministers, business leaders).

- Assist in follow-up after these functions.
- Assist in organising Trade Promotion Functions:
(involving use of the Jordanian Ambassador to the Territory)

- And in following-up after these functions.
- Maintaining a close line of communication with their appropriate 'counter-parts' back in Head Office:
- Monthly report on activities, progress on targets,
- Identification of issues, identification of new growth sectors, new business opportunities, financial reporting.

Note (7). (Jordan) Regional Offices Division.

Regional Manager: Head Office responsibility for the Regional (in Jordan) Offices.

Local Offices. Located on the major industrial estates:

- Client support in all matters relating to export development.
- Promoting linkage.

In addition, the Office manager will be involved in local Public Relations on behalf of JEDCO export development programs.

Note (8). Planning Division

This will be a JEDCO "In-house" expertise / responsibility for operational planning.

- In-house responsibility for 'Operational Planning',
- Identification of and research into emerging growth sectors or individual business opportunities / niche opportunities (outside of the divisional responsibilities),
 - Monitoring of performance against targets,
 - Intelligence gathering on competitor activities,
 - Monitoring of client satisfaction,
- Identification of issues relating to the further development of exports from Jordan,
 - Analysis of the economic impact of exports on the Jordanian economy,
 - Monitoring of the effectiveness of the JEDCO programme, structures, etc.
- Monitoring of the performance (locally and internationally,) of the big, majority Jordanian-owned projects in Jordan, and reporting to the Board on a Quarterly basis. (A type of early-warning system).

Coordinating relevant Donor Programs.

Note- throughout this area of DDI, it is vital that JEDCO takes the lead in relation to the activities of all the donor programs.

JEDCO won't have the luxury of the financial resources that 'Ireland' had, to pay for:

- Feasibility studies
- Capital grants
- Rent subsidies
- Training grants

Or (for Enterprise Development projects);-

- Equity participation
- Loan guarantees, loans for fixed assets and for working capital
- Interest subsidies

But ---it can tap into and heavily influence the Donor Programmes involved in;

- Business Diagnostics.
- Business Planning.
- Feasibility Studies.
- Action Planning.
- Implementation projects – TA only but

these cover a very wide range;- production improvement, reengineering, product design and development, improvement of packaging, labelling (bar coding etc) and promotion, quality upgrading, ISO Certification, Management Information Systems design.

- Management and Staff Development.
- Placement –in-house-for short periods of retired experts from abroad.
- Business Co-operation / Technology Transfer.

Note (9). Marketing Services Division and Information

- Development of 'Export' Marketing Messages.
- Design and implementation of Promotional Campaigns (in coordination with overseas offices and regional offices), including Jordanian Trade Promotion Missions by H.M., Ministers or groups of exporters, abroad.
- Including participation at overseas Trade Fairs or Conferences.
- Design and production of Promotional Material and Campaigns, including Web-site design and maintenance, CD ROMs, videos,
- Public Relations (including Press Releases, dealing with the Media),
- Organising Journalist's visits (in co-ordination with overseas offices, as necessary).
- Competitor Monitoring (in conjunction with Planning Division).

Note (10). Administration, Human Resources, Systems, Finance & Accounting Division.

- Recruitment.
- Staff development.
- Labor relations.
- Remuneration, grading, career development, staff benefits, insurance,

- health, equality, pensions, dispute resolution and general H.R.-related issues
- Systems Department: Management Information Systems.
- Secretariat: Secretarial, legal and administration responsibilities.
- Accounts Department: Finance and accounting.

APPENDIX 8**Draft JAED Law**

**Law for the Jordanian Authority for Enterprise Development
No. () for the Year 2002**

Article (1)

This Law shall be known as the “Law for the Jordanian Authority for Enterprise Development for the Year 2002” and shall come into effect as of the date of its publication in the Official Gazette.

Article (2)

The following words and phrases wherever used in this Law shall have the meanings ascribed thereto hereunder unless the context indicates otherwise:

Minister	:	The Minister of Industry and Trade.
Authority	:	The Jordanian Authority for Enterprise Development.
Board	:	The Board of Directors of the Authority.
Chairman	:	The Chairman of the Board.
Chief Executive Officer	:	The Chief Executive Officer of the Authority.
Investment Corporations	:	Any corporation referred to in Paragraphs (A) and (B) of Article (17) of this Law.
Investment Climate	:	

Article (3): Objectives of the Authority

The Authority shall aim at developing and improving the Investment Climate in the Kingdom through drawing the investment strategies in cooperation with the relevant entities and working on finding the appropriate mechanism to effectively implement the investment strategies.

Article (4): Establishment of the Authority

A- An Authority to be known as the “Jordanian Authority for Enterprise Development” shall be established in the Kingdom and shall have a juridical personality with financial and administrative autonomy. As such, the Authority may acquire movable and immovable property and perform all legal acts necessary to achieve its objectives, including concluding contracts, accepting aids, grants and donations, and having the right to litigation. The Civil Attorney General or any attorney appointed by the Authority for this purpose shall represent the Authority in any legal proceedings.

B- The headquarters of the Authority shall be in Amman, and it may establish liaison offices inside and outside the Kingdom.

C- The Authority shall be connected to the Minister.

Article (5): Powers and Functions of the Authority

The Authority shall assume the following powers and functions:

- A- Advise the Minister on matters relating to developing and improving the Investment and business Climate, and in particular the following:
 - 1- Investment and enterprise development strategies and the policies and work plans required to implement such.
 - 2- Developing the productive economic sectors.
 - 3- Measures to increase Jordan's economic competitiveness.
 - 4- Coordinating the activities of the Investment Corporations in the Kingdom, and between these Corporations and other governmental and non-governmental entities.
 - 5- Abolishing or merging any of the Investment Corporations, or proposing the establishment of new corporations or abolishing or merging such.
 - 6- Developing the national bases and criteria to facilitate all procedures related to investment according to the provisions of this Law.
 - 7- Evaluate and review the investment-related measures and procedures in the Kingdom in order to evaluate their compliance with the investment strategies and the competitiveness targets.
 - 8- The legislation relating to investment or productive economic sectors and the Corporations concerned therewith.
- B- Evaluate and monitor the performance of the Investment Corporations and the mechanism in which they conduct their activities according to the provisions of the enacted legislation, and submit reports concerning such to the Minister.
- C- Advise and assist the Investment Corporations and any other corporation or entities designated by the Minister in enabling them to implement the investment strategies and achieve their objectives and goals.
- D- Carry out research on trade and investment topics at the instruction of the Minister or in response to requests from other government and non-government entities.
- E- Any other functions consistent with the mission of promoting enterprise development in Jordan as requested, assigned or approved by the Minister.

Board Of Directors

Article (6): Composition of the Board of Directors

- A- The Authority shall be administered and supervised by a Board known as the "Board of Directors for the Jordanian Authority for Enterprise Development", comprising of the following:**
 - 1. The Chairman who shall be appointed by a decision of the Council of Ministers, upon the recommendation of the Minister.**

- | | | |
|----|--|--------------|
| 2. | Chief Executive Officer. | The |
| 3. | Secretary General of the Ministry of Industry and Trade. | The |
| 4. | chief executive officer of each of the Investment Corporations. | The |
| 5. | chief executive officer of the Vocational Training Corporation. | The |
| 6. | members from the private sector of expertise and competence appointed by the Council of Ministers, upon the recommendation of the Minister. | Seven |

B- The membership term for the Board shall be four renewable years.

C- The Board shall choose a vice-Chairman from amongst its members, who shall perform the functions of the Chairman during his absence.

D- The remuneration of the Chairman and the Board members referred to in Subparagraph (5) of Paragraph (A) of this Article shall be determined by a decision of the Council of Ministers, upon the recommendation of the Minister.

E- The Chairman and any of the Board members referred to in Subparagraph (5) of Paragraph (A) of this Article may be changed and a replacement shall be appointed in the same manner of appointment and for the period remaining for the Board's term.

Article (7): Board Meetings

A- The Board shall convene at least once every month upon an invitation from the Chairman or the vice-Chairman in his absence. The quorum of the Board meetings shall be met upon the attendance of the majority of its members, provided that the Chairman or the vice-Chairman is among them.

B- The Board shall issue its resolutions by at least a majority vote of the attending members. A member cannot refrain from voting, and each opposer shall record his opposing vote in writing in the minutes of the meeting and sign thereon. If the votes are tied, the vote of the chairman of the Meeting shall be determinant.

C- The procedures of regulating the Board's functions, meetings and all other matters related thereto shall be determined in accordance with instructions issued by the Board for this purpose.

D- The Board shall be entitled to invite qualified experts for consultation on any issue raised for discussion, without such experts being entitled to vote.

Article (8): Powers and Functions of the Board

The Board shall assume the following powers and functions:

A- Prepare the Authority's annual work plan in coordination with the Minister.

- B- Approve the organizational structure of the executive body of the Authority, the Classifier Table and the job description therein, and supervise its work.
- C- Approve the annual budget of the Authority and submit such to the Minister .
- D- Approve the annual report of the Authority's activities, balance sheet and year-end accounts for the previous fiscal year and submit such to the Minister.
- E- Propose the necessary draft legislation and any amendments thereto related to the Authority or the investment activities in the Kingdom and submit such to the Minister.
- F- Recommend to the Minister to appoint the certified auditor of the Authority.
- G- Issue the instructions necessary to govern the Authority's activities.
- H- Any other powers entrusted in the Authority pursuant to this Law or the regulations issued pursuant thereto and any other enacted legislation or any other task assigned to the Board by the Minister or the Chairman.

Article (9): Delegation of Powers

- A- The Board shall be entitled to delegate any of its powers stated in this Law and the regulations issued pursuant thereto to the Chairman, any Board member, the Chief Executive Officer or to any of the committees constituted pursuant to Paragraph (A) of Article (10) of this Law, provided that the delegation is in writing and specific.
- B- The Board shall be entitled to, with the approval of the Minister, assign any of the Authority's powers stated in this Law and the regulations issued pursuant thereto to any of Investment Corporations.
- C- The Board may contract third parties to perform any of the powers and functions entrusted in the Authority pursuant to this Law and the regulations issued in accordance therewith.

Article (10): Forming Committees

- A- The Board may form permanent and temporary committees, which are deemed necessary to assist the Board in performing its functions.**
- B- The membership of any of the committees formed in accordance with Paragraph (A) of this Article may comprise members of the Board, members of the boards of the Investment Corporations, their employees, the Authority's employees and members from the public and private sectors.

C- The activities of the committees referred to in Paragraph (A) of this Article shall be regulated pursuant to instructions issued by the Board for this purpose.

Article (11):

Prior to exercising his/her duties, any Board member, having any direct or indirect financial personal interest or any interest to his/her spouse, children and relatives of the second degree in any industrial, commercial or service enterprise, must declare the nature of such interest to the Board and shall comply with the Board's directions in that regard.

Article (12): Powers and Functions of the Chairman

The Chairman shall assume the following powers and functions:

A- Represent the Authority before third parties.

B- Sign contracts as authorized by the Board.

C- Any other powers entrusted therein according to the provisions of this Law, the regulations issued pursuant thereto or delegated thereto by the Board.

Article (13):

The Chairman may delegate any of his powers stipulated in this Law and the regulations issued pursuant thereto to the Chief Executive Officer or any of the Authority's employees, provided that the delegation is in writing and specific.

Article (14): Chief Executive Officer

The Minister shall, upon the recommendation of the Board, appoint the Chief Executive Officer and determine his salary and all his financial entitlements.

Article (15): The functions and Power of the Chief Executive Officer

The Chief Executive Officer shall perform the following powers and functions:

A- Manage the work of the Authority, supervise its employees and its administrative, financial and technical affairs and its supplies and works.

B- Prepare the programs and plans necessary to achieve the objectives and functions of the Authority, submit the recommendations thereof to the Board and oversee their implementation.

C- Sign contracts and agreements concluded by the Authority with third parties, except those delegated to the Chairman by a decision of the Board.

D- Prepare the annual estimated budget of the Authority.

E- Prepare the annual report of the activities of the Authority, its balance sheet and year-end accounts of the previous fiscal year.

F- Implement the decisions of the Board.

G- Any other functions entrusted therein pursuant to the provisions of this Law and the regulations issued pursuant thereto or delegated thereto by the Board or the Chairman.

Article (16):

A- Any ministry, public institution or government department seeking to adopt any legislation, policies or decisions affecting investment in the Kingdom should coordinate with the Authority.

B- Ministries, government departments and public institutions shall must provide the Authority with the information, statistics and data it requires in the necessary precise and timely manner required for such submit.

Article (17): The Investment Corporations

A- The Authority shall be consulted by each of the following Investment Corporations in the preparation of their annual budget requests and any other budget or administrative requests or policy related matters, and shall endorse those requests prior to their submission to the Minister :

1. The Investment Promotion Corporation.
2. The Free Zones Corporation.
3. The Jordanian Industrial Estates Corporation.
4. The Jordan Export Development and Commercial Centers Corporation.
5. Any other corporation to be added upon a decision of the Council of Ministers.

B- The Authority shall perform the functions and powers entrusted therein through coordination and cooperation with the Corporations referred to in Paragraph (A) of this Article.

Article (18): The Relationship of the Investment Corporations with the Authority

The relationship between the Authority and the Investment Corporations shall be based on cooperation and coordination in order to regulate and develop the Investment Climate in the Kingdom and facilitate the procedures related to domestic and foreign investment in order to achieve the objectives of the Authority and those of the Investment Corporations. In order to achieve such, the Investment Corporations shall abide by the following:

A- Each Investment Corporation shall submit to the Authority a semi-annual report inclusive of the activities that the Corporation was supposed to perform, the activities that the Corporation has actually performed within the previous period, the obstacles it faced and the suggestions to solve such.

B- The Board shall review the periodical report referred to in Paragraph (A) of this Article to estimate the extent in which the Investment Corporation has achieved its objectives and projects within the prescribed period of the report.

- C- The Authority shall submit to the Minister the comments and suggestions which the Board deems appropriate regarding the performance of any Investment Corporation based on the periodical report. A copy of these comments and suggestions shall be sent to the concerned Corporation.

Article (19): The financial affairs of the Authority

A- The Authority's fiscal year shall start on January 1st of every year and end on December 31st of the same year.

B- The Authority shall have an independent budget, approved by the Board and endorsed by the Council of Ministers.

C- The Audit Bureau shall post audit the Authority's accounts. The Authority may appoint a certified auditor who shall submit his audit report to the Council of Ministers.

Article (20): Exemptions of the Authority

A- The Authority shall enjoy the exemptions and facilities granted to Ministries and Government Departments.

B- The property of the Authority shall be considered as public property and shall be subject to the provisions of the Collection of Domanial Property Law in force. The Chief Executive Officer or whom he authorizes for this purpose shall assume all powers of the Administrative Governor and the Committee for Collection of Domanial Property accorded thereof.

Article (21): Revenues

The revenues of the Authority shall consist of the following:

A- The annual funds allocated for the Authority in the General Budget.

B- The loans it obtains with the approval of the Council of Ministers.

C- Aid, grants and donations it receives, provided that such shall be subject to the approval of the Council of Ministers if the source is not Jordanian.

D- Any other source of revenue approved by the Board.

General Provisions

Article (22)

A- The Minister shall review the proposals and advice submitted thereto according to the provisions of Paragraph (A) of Article (5) of this Law and shall take the necessary procedures thereto according to the provisions of the enacted legislation in the Kingdom.

B- The Council of Ministers shall endorse the general investment strategies.

Article (23)

A- For the purposes of the recommendation referred to in Article (14) of this Law, the composition of the Board members shall be as referred to in Subparagraphs (1), (3), (4) and (5) of Paragraph of Article (6) of this Law.

B- The quorum of the Board meetings and the taking of decisions to implement Article (14) of this Law in the majority stipulated in Article (9) of this Law shall be according to the composition stipulated in Paragraph (A) of this Article.

Article (24): Issuance of Regulations

The Council of Ministers shall issue the necessary regulations for implementing the provisions of this Law, including the following:

A- Employees and personnel affairs of the Authority.

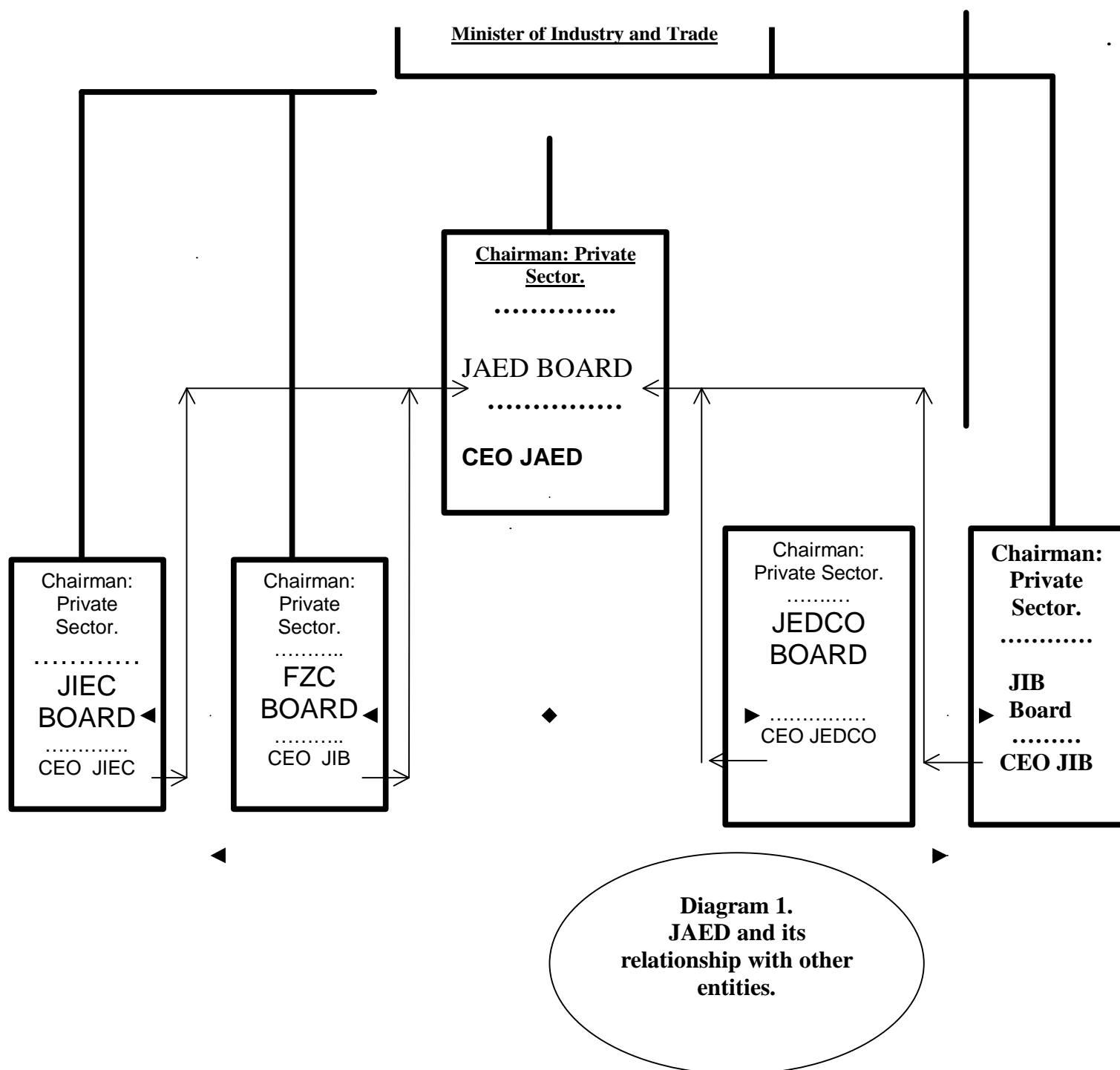
B- Procurement and supplies affairs of the Authority.

C- Financial affairs of the Authority.

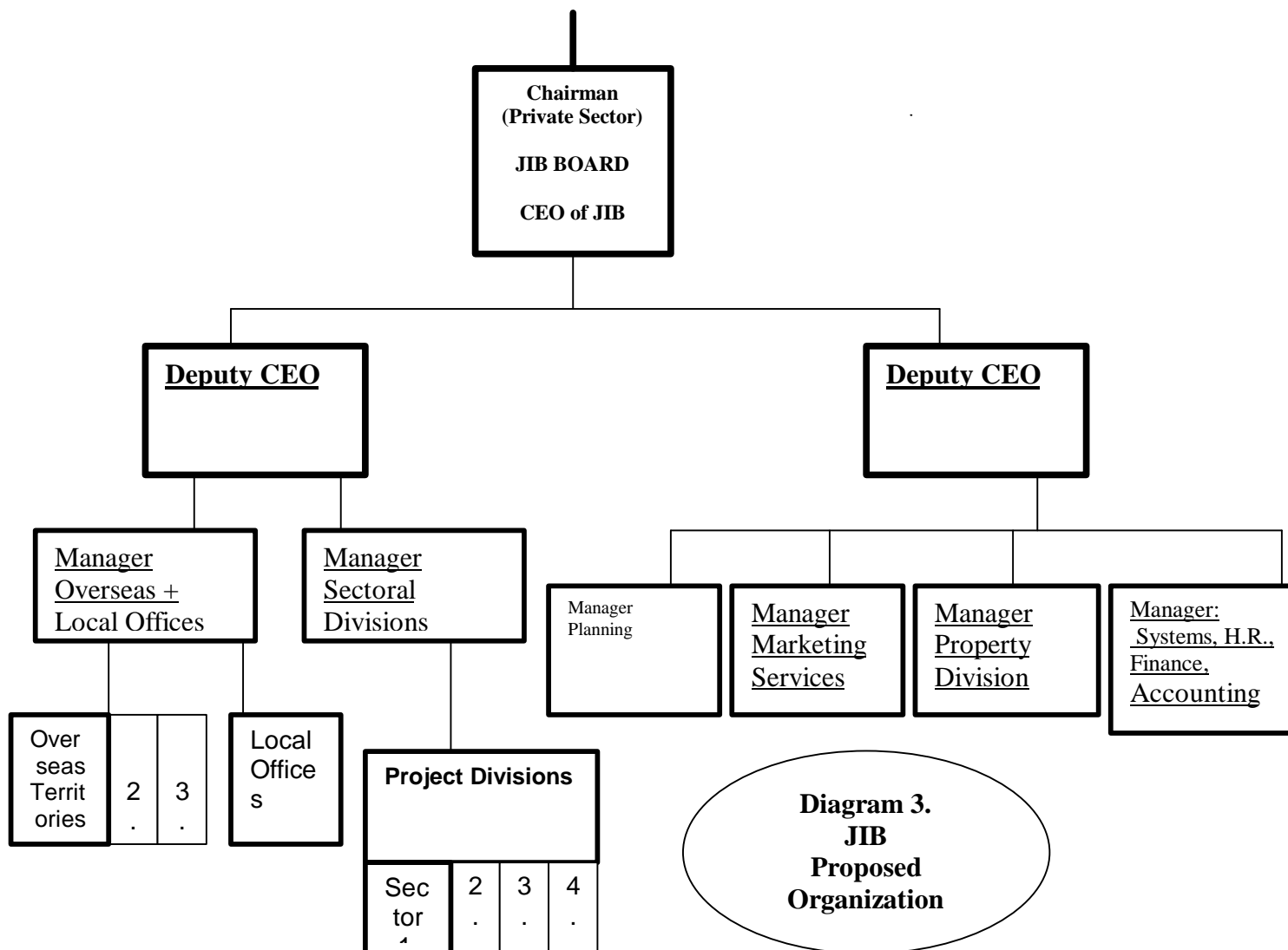
Article (25):

The Prime Minister and the ministers shall be responsible for executing the provisions of this Law.

PROPOSED STRUCTURES & LINKAGES



Minister of Industry & Trade



Minister of Industry & Trade

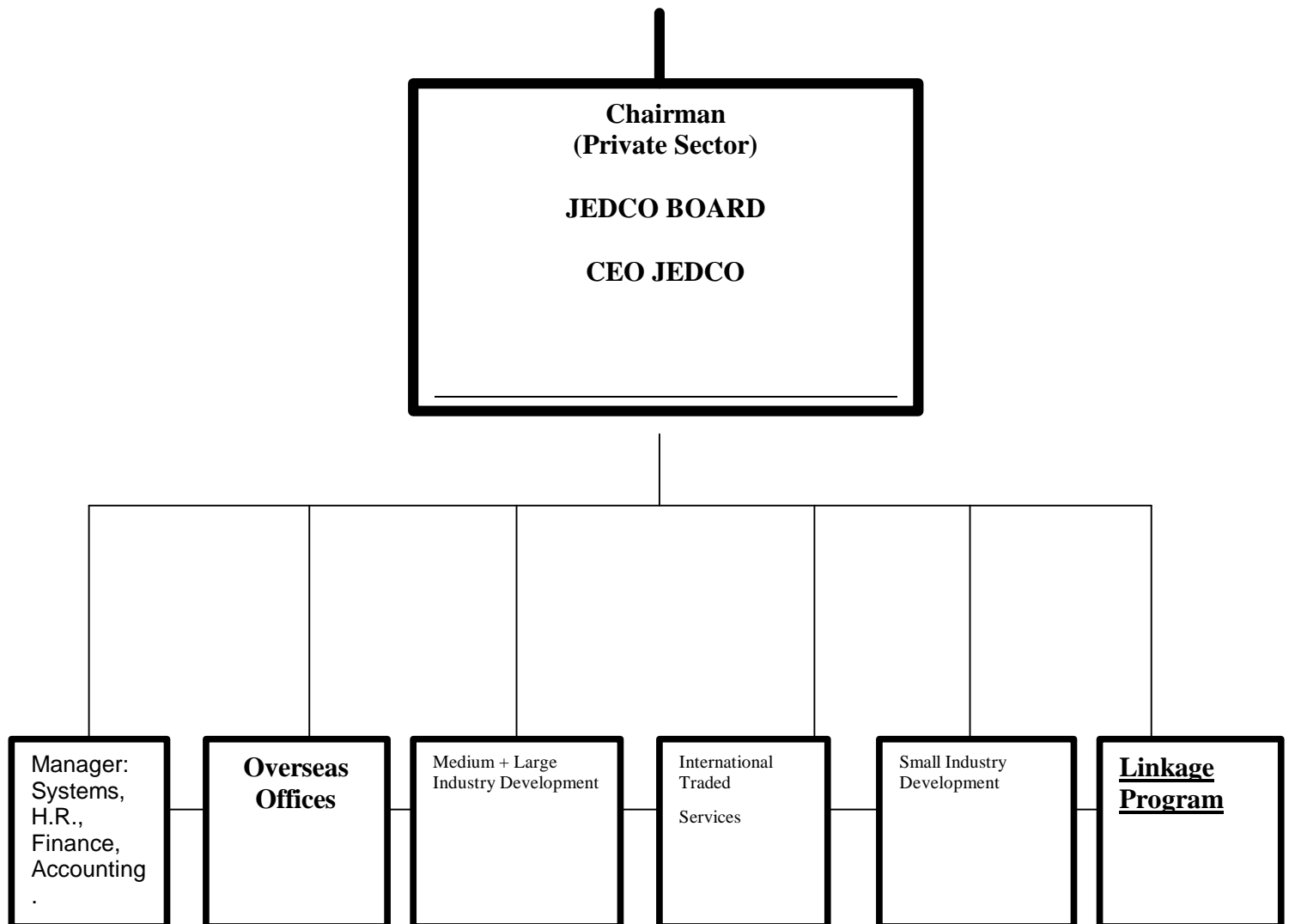


Diagram 4.
JEDCO
Proposed Organization
Structure.

Minister of Industry & Trade.

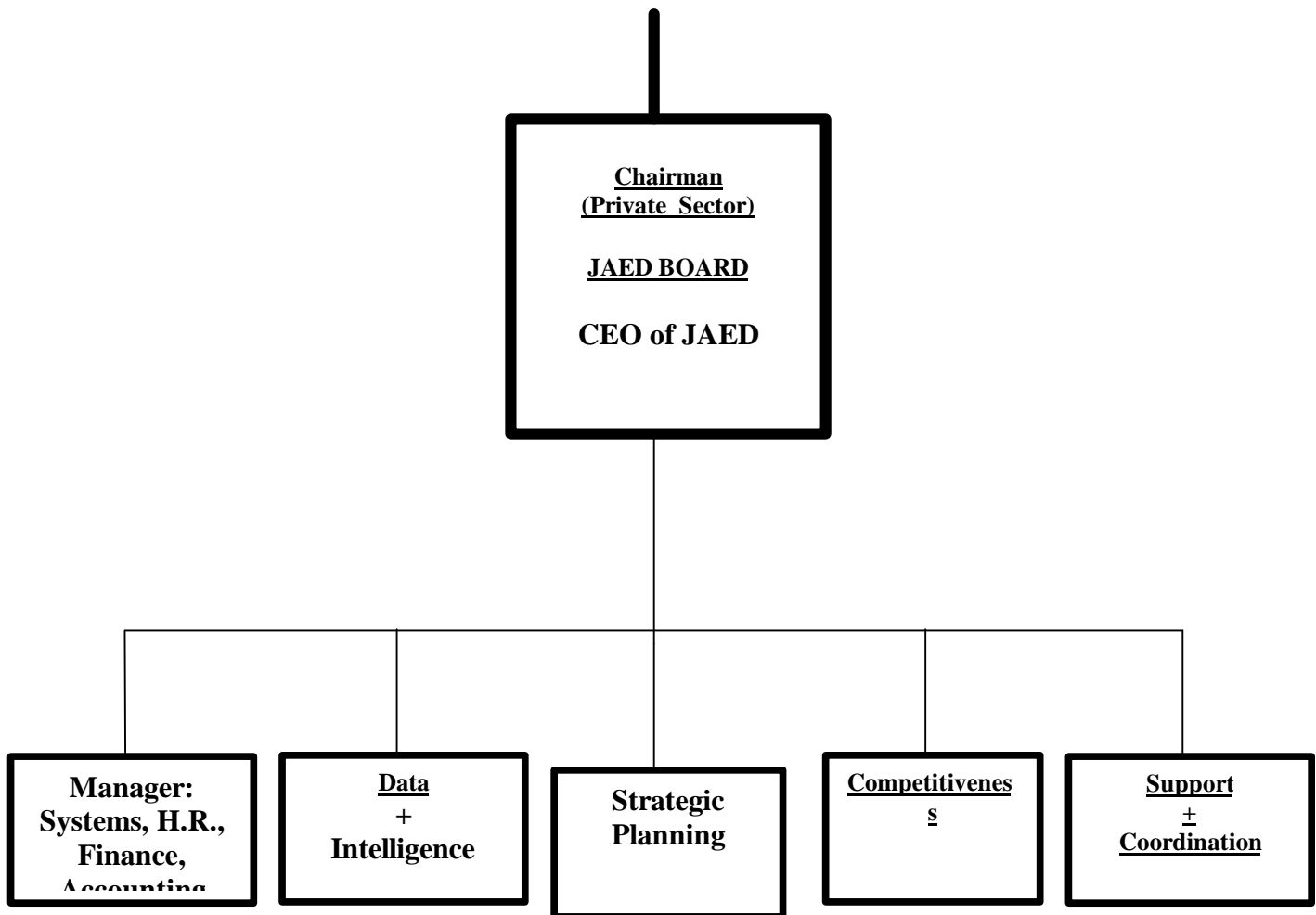
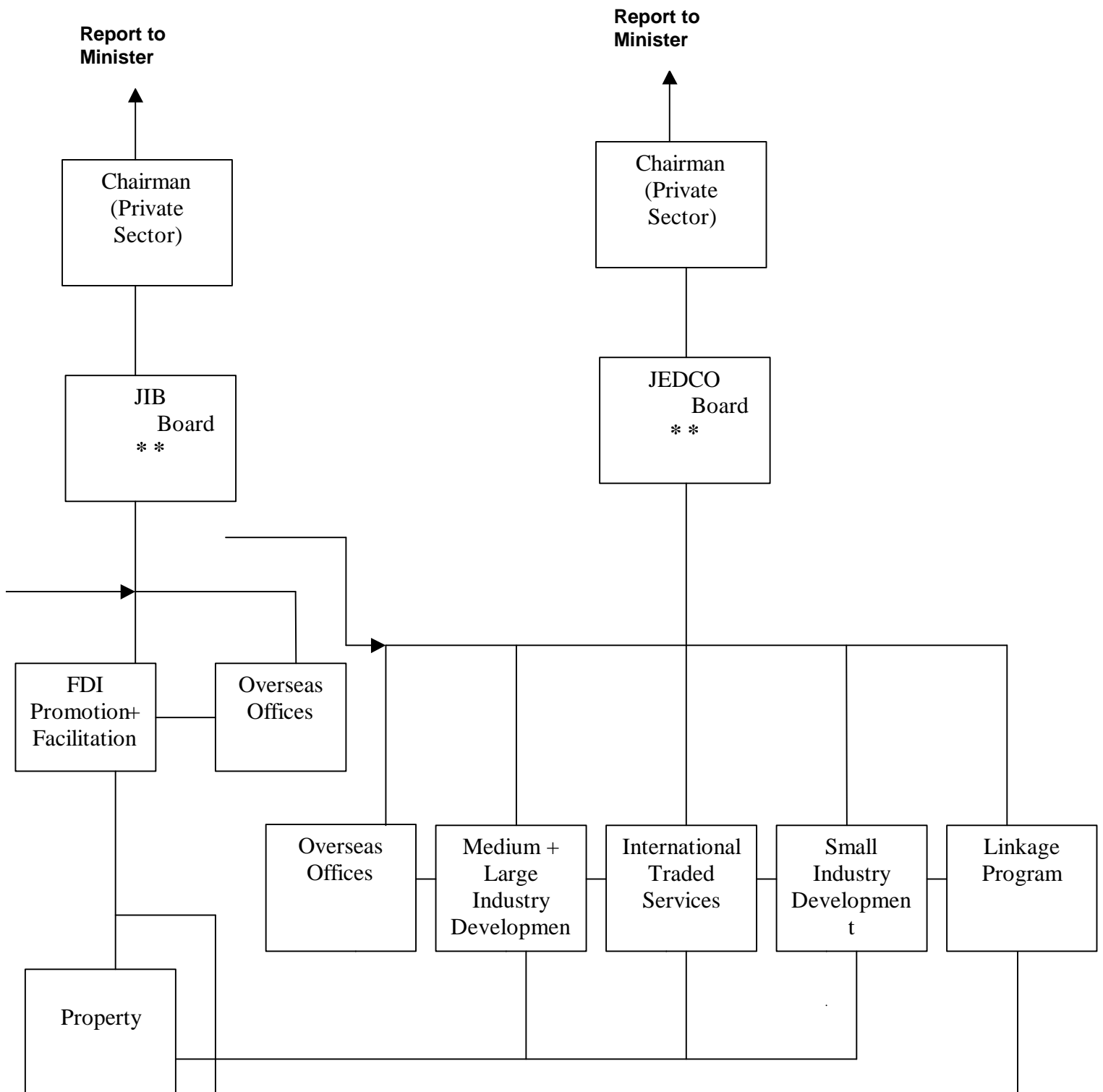


Diagram 2.
JAED
Internal Corporate
Units.



** Board Members include A senior Ministry Official